

## PATENT COOPERATION TREATY

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NOTIFICATION OF THE RECORDING  
OF A CHANGE(PCT Rule 92bis.1 and  
Administrative Instructions, Section 422)

From the INTERNATIONAL BUREAU

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BLASKO, John, P.  
Technology, Patents and licensing,  
INC.  
300 North Broad Street  
Doylestown, PA 18901  
ETATS-UNIS D'AMERIQUE

Date of mailing (day/month/year) 29 March 2001 (29.03.01)	IMPORTANT NOTIFICATION
Applicant's or agent's file reference T711-01PCT	
International application No. PCT/US00/12710	International filing date (day/month/year) 10 May 2000 (10.05.00)

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1. The following indications appeared on record concerning:		
<input checked="" type="checkbox"/> the applicant	<input type="checkbox"/> the inventor	<input type="checkbox"/> the agent <input type="checkbox"/> the common representative
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10 MAY 1999

Applicant

EXPANSE NETWORKS, INC.

1. The applicant is hereby notified that this International Preliminary Examining Authority transmits herewith the international preliminary examination report and its annexes, if any, established on the international
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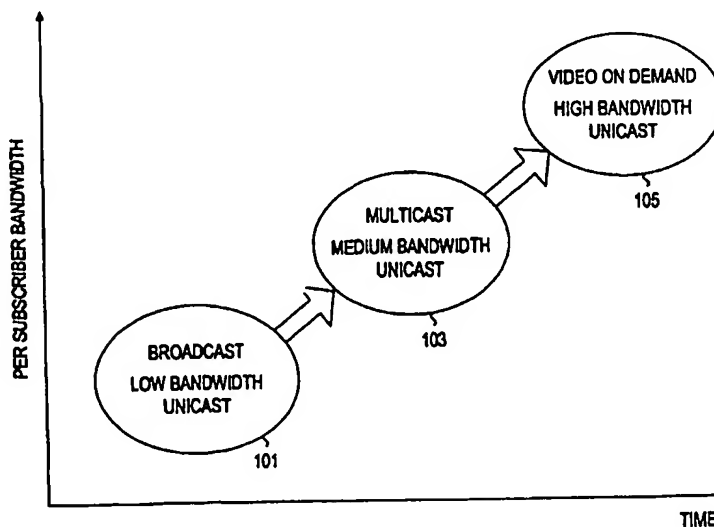
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(21) International Application Number: PCT/US00/12710 (22) International Filing Date: 10 May 2000 (10.05.00) (30) Priority Data: 60/133,398 10 May 1999 (10.05.99) US (71) Applicant (for all designated States except US): TELECOM PARTNERS LTD. [US/US]; 300 North Broad Street, Doylestown, PA 18901 (US). (72) Inventor; and (75) Inventor/Applicant (for US only): ELDERING, Charles, A. [US/US]; 315 Hedgerow Lane, Doylestown, PA 18901 (US). (74) Agents: BLASKO, John, P. et al.; J.P. Blasko Professional Corp., 107 North Broad Street, Doylestown, PA 18901 (US).		(81) Designated States: AE, AG, AL, AM, AT, AU, AZ, BA, BB, BG, BR, BY, CA, CH, CN, CR, CU, CZ, DE, DK, DM, DZ, EE, ES, FI, GB, GD, GE, GH, GM, HR, HU, ID, IL, IN, IS, JP, KE, KG, KP, KR, KZ, LC, LK, LR, LS, LT, LU, LV, MA, MD, MG, MK, MN, MW, MX, NO, NZ, PL, PT, RO, RU, SD, SE, SG, SI, SK, SL, TJ, TM, TR, TT, TZ, UA, UG, US, UZ, VN, YU, ZA, ZW, ARIPO patent (GH, GM, KE, LS, MW, SD, SL, SZ, TZ, UG, ZW), Eurasian patent (AM, AZ, BY, KG, KZ, MD, RU, TJ, TM), European patent (AT, BE, CH, CY, DE, DK, ES, FI, FR, GB, GR, IE, IT, LU, MC, NL, PT, SE), OAPI patent (BF, BJ, CF, CG, CI, CM, GA, GN, GW, ML, MR, NE, SN, TD, TG).  Published Without international search report and to be republished upon receipt of that report.	

(54) Title: ADVERTISEMENT SUBGROUPS FOR DIGITAL STREAMS



(57) Abstract

A targeted advertising system based on subgroups. Different subgroups are formed based one or more subscriber characteristics, and different targeted advertisements transmitted to the different subgroups. In the Internet-environment, the subgroups are formed by utilizing multicast addresses. In cable-based and satellite-based systems, the subgroups are formed by node configurations. The targeted advertisements may be transmitted simultaneously with programming and inserted locally, or may be inserted at a centralized distribution point such as a router 303 or a cable television local head-end 306. An apparatus is presented which receives  $n$  program streams and  $m$  advertisements, and creates  $p$  presentation streams containing targeted advertisements, where  $p$  is greater than  $n$ .

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**TITLE***Advertisement Subgroups for Digital Streams***Background of the Invention**

5       The development of compression and transmission techniques for digital video and audio signals coupled with the advent of the Internet have resulted in an ability to transmit audio and video programming to subscribers from a multitude of locations. Reception areas are no longer limited to the reception area of  
10 a radio or television transmitting tower, a cable TV head end, a telephone central office or another geographically determined location. Instead, the subscribers of programming may be distributed over a wide geographical range and, in fact, exist in a multitude of countries.

15       For example, a group of subscribers distributed across the globe having a specific interest can have simultaneous access to the programming of interest. In cable television systems, these programs are generally transmitted to groups of subscribers, each group being associated with a node. A node  
20 is traditionally associated with a receiver which receives an optical signal from the cable TV head end, converts the signal to an electrical signal, and transmits the signals to the homes. The video programming is frequently transmitted from one central location to multiple cable television head ends,  
25 and then distributed to the nodes and ultimately to the subscribers. Although the viewership for the programs transmitted in this manner may be quite large, generally, there exists characteristics that can be associated with each node due to the respective geographic location.

30       The nodes in certain areas may have subscribers with a particular range of household income or other demographic characteristics that are distinct from the subscribers in other nodes both nearby and distant.

Similar characteristics exist for the television systems  
35 that receive digital programming from satellites. Generally, the digital video programming is frequently transmitted from one central location to multiple cable television head ends,

and then distributed to the nodes and ultimately to the subscribers.

The transmission of the programming based on specific geographic areas continues to exist, especially in cable-based systems and satellite-based systems, but is substantially affected by the advent of the Internet. In the Internet environment, the information contents may be received from any computer on the network, irrespective of where the subscriber is located. Furthermore, in the Internet environment, the information contents may be customized based on subscriber needs and preferences.

In all of the above-mentioned systems, including cable-based, satellite-based and Internet-based systems, the program contents also include one or more advertisements. These advertisements are generally inserted in the program streams by evaluating the program contents, making a rough determination of the target audience, and finding suitable advertisements. For example, beer advertisements may be inserted into the football game programming, and gardening tools advertisements may be inserted into home improvement programming. In cable-based and satellite-based systems, these advertisements are generally displayed as spot messages, and in the Internet environment, these advertisements are displayed as banner advertisements.

Internet environments also provide for multicasting where audio and video streams are simultaneously transmitted to a plurality of subscribers. The subscribers are grouped based on the type of program contents they receive, but there is no distinction for the purpose of advertising.

Thus, even though prior art advertising schemes try to match the program contents and the advertisements that are displayed within the program contents, such advertisement schemes are not fully effective. What is lacking in these advertising schemes is the idea of targeted advertising, i.e., presenting different advertisements to different subscribers based on one or more subscriber characteristics, or different

versions of the same advertisement to different subscribers based on one or more subscriber characteristics.

### Summary of the Invention

5       The present invention is directed at an apparatus and a method for creating subgroups based on one or more subscriber characteristics. Each subgroup corresponds to one or more subscribers and receives a particular program stream and one or more targeted advertisements directed at that set of  
10 subscribers.

      The subgroups may be created in many different ways. In an Internet environment, the subgroups may be created by utilizing multicasting features. Generally, the subgroups are created within a multicast group based on one or more shared  
15 subscriber characteristics. The subgroup may comprise a group of subscribers, a group of households, an individual subscriber or a single household. In a cable environment, the subgroups may be created based on the configuration of a regional head-end and one or more local head-ends, e.g., each node configured  
20 to a local head-end may represent a subgroup.

      In another embodiment, an apparatus is presented in which  $n$  digital program streams are received along with  $m$  digital advertisement streams, and  $p$  digital presentation streams containing inserted advertisements are created, where  $p$  is  
25 greater than  $n$ . Each of the digital presentation streams corresponds to a different subgroup, e.g., a first presentation is transmitted to a first subgroup, and a second presentation is transmitted to a second subgroup, etc.

      In one implementation, different presentation streams are  
30 formed for different subgroups created within a multicast group. First, different advertisements or different versions of the same advertisements are selected. Then a plurality of presentation streams are created by multiplexing the program contents with one or more targeted advertisements. These  
35 presentation streams are then transmitted to different subgroups. Each of the subgroups receives a presentation stream that comprises program content and one or more targeted



advertisements. The presentation streams may be digital video streams or digital audio streams.

Alternatively, the targeted advertisements may be transported along with a program stream as a separate  
5 advertising stream. This may be accomplished in many different ways, e.g., in an Internet environment, this may be accomplished by forming a program multicast stream which contains an entertainment stream, and forming a plurality of advertisement multicast streams that contain one or more  
10 targeted advertisements. The program multicast stream is transmitted to a group of subscribers (comprising many subgroups), while a first advertising multicast stream is transmitted to a first subgroup of the group. Similarly, the program multicast stream and a second advertising multicast  
15 stream is transmitted to a second subgroup. In this embodiment, the targeted advertisements are inserted into the program multicast stream at the appropriate insertion time.

The present invention also presents a method of receiving targeted advertisements where a first multicast signal  
20 containing programming is received along with a second multicast signal containing advertising which is inserted into the first stream locally and presented to the subscriber.

#### **Brief Description of the Drawings**

25 The accompanying drawings, which are incorporated in and form a part of the specification, illustrate the embodiments of the present invention and, together with the description serve to explain the principles of the invention.

In the drawings:

30 FIG. 1 illustrates the migration from broadcast and low bandwidth unicast services to multicast and high bandwidth services;

FIG. 2 illustrates current broadcast services and dial-up Internet access;

35 FIG. 3 illustrates the formation of multicast subgroups by utilizing different routers;

FIG. 4 illustrates an exemplary case of formation of multicast groups in a cable-based network;

FIG. 5 illustrates the process of inserting targeted advertisements at a centralized point;

5 FIG. 6A illustrates an exemplary ad insertion multiplexer;

FIG. 6B illustrates time independent ad reception and insertion using an ad insertion multiplexer;

FIG. 7 illustrates an exemplary process of inserting advertisements at a client side;

10 FIG. 8 illustrates another implementation of local insertion of advertisements;

FIG. 9 illustrates the migration of advertising from broadcast advertisements or advertisements in unicast IP addressed streams to multicast ads and services, and to unicast  
15 ad and unicast services;

FIG. 10A illustrates an ad insertion table for MPEG streams with program IDs and ad IDs; and

FIG. 10B illustrates a multicast ad insertion table.

20 **Detailed Description  
of the Preferred Embodiment**

In describing a preferred embodiment of the invention illustrated in the drawings, specific terminology will be used  
25 for the sake of clarity. However, the invention is not intended to be limited to the specific terms so selected, and it is to be understood that each specific term includes all technical equivalents which operate in a similar manner to accomplish a similar purpose.

30 With reference to the drawings, in general, and FIGS. 1 through 10 in particular, the method and apparatus of the present invention is disclosed.

As illustrated in FIG. 1, the broadcast entertainment and telecommunication services are migrating from the  
35 classifications of broadcast programming and low bandwidth unicast 101 transmission to multicast and medium bandwidth unicast 103 systems in which the number of subscribers in the receiving group is reduced, or the bandwidth to a subscriber

receiving an individualized service is increased. This migration is present in traditional television broadcasting as well as Internet access environments.

The increased availability of bandwidth to subscribers results in the formation of smaller broadcasting groups that can be referred to as multicast groups. In addition, the amount of bandwidth available to each subscriber for unicast services such as connections to Web sites, high-speed point-to-point data connections, and videoconferencing, is increased. This results in medium bandwidth unicast connections that can support new services.

The increased bandwidth also enables video on demand services that are essentially high bandwidth unicast (illustrated as 105 in FIG. 1) connections providing a subscriber with specific programming at a specific point in the program stream.

In accordance with the principles of the present invention, a number of new services may also be provided based on these unicast connections. One of these services is the relay of targeted advertisements.

In one embodiment of the present invention, the targeted advertisements are relayed based on subgroups, wherein each subgroup may comprise one or more subscribers, or one or more households. The method and system for creating subgroups is applicable for both television broadcasting (video transmission) environments and Internet environments, and may be realized in traditional networks.

FIG. 2 illustrates traditional television broadcasting and Internet access environments. The present broadcast audio and video entertainment services fall in the category of broadcast services that are delivered by traditional radio, cable TV and wireless broadcasting techniques wherein a client (receiver) 209 receives programming from a central unit 211. The central unit 211 may be a base-station or a head-end or a cable distribution point. In the Internet world, a web-server 207 broadcasts the information over an Internet network 205 to an Internet Service Provider (ISP) 203 which ultimately delivers

the information to a client 201. The broadcasting is accomplished by utilizing one or more different multicasting protocols over the Internet.

The point-to-point connection for Internet access  
5 illustrated in FIG. 2 is also representative of unicast services that can be defined as the point-to-point transmission of signals from a source or a subscriber to another subscriber. This includes telephone service and point-to-point data connections to data sources.

10 In accordance with the principles of the present invention, the actual formation of subgroups for advertising is performed by creating multiple lists or tables of subscribers that share one or more subscriber characteristics. The subgroups may be based on (1) geographic segmentation, (2)  
15 demographic segmentation, (3) psychological segmentation, (4) psychographic segmentation, (5) sociocultural segmentation, (6) use-related segmentation, (7) use-situation segmentation, (8) benefit segmentation, and (9) hybrid segmentation. More information may be found in a book entitled *Consumer Behavior*,  
20 by Leon G. Schiffman and Leslie Lazar Kanuk published by Prentice Hall, New Jersey 1999.

The analysis of different segmentations permit the advertisement to be directed to specific users or groups of users who fit certain criteria. For instance, an advertisement  
25 for a baby stroller could reach parents of children under five years old - and only those individuals in that group. The other publicly or privately available data regarding the subscribers may also be collected. This data may also be mined to form a subgroup of subscribers which has a common  
30 characteristic which matches the characteristics of the target group.

One technique for forming subgroups involves utilization of geographic location information. Each subgroup may consist of subscribers located in a particular state, city, or  
35 associated with a cable television node. Another technique for forming subgroups is based on knowledge of the viewership of the actual programming. For example, many companies collect

data related to the viewing of the television programming and such information may be used to form subgroups. Once such collection of data, known as Nielsen ratings, are based on samples of information related to the viewing of television programming. Other types of similar information are also available. The subgroups may be based on the actual viewership information, or on estimate of the current viewership, or on the statistical measurement of the viewership.

The actual formation of subgroups may be accomplished in many different ways. In an Internet environment, the subgroups may be formed by utilizing multicast addresses. Currently, the multicast addresses are utilized to form a group of subscribers that are interested in receiving the same information, e.g., listening to the same radio station, being the members of some listserv, etc. In accordance with the principles of the present invention, the members of a multicast group may be further classified into subgroups (i.e., multicast subgroups). These subgroups may be formed based on geographic locations, e.g., country of residence, as can be determined from a subscriber e-mail address, Internet Protocol (IP) address, or other Internet-related parameters. These subgroups may also be formed based on a subscriber's operating system, data transmission rate, or other transmission related parameters. In this implementation, each subgroup may comprise a country, e.g., subscribers from the USA may be grouped in the first subgroup, and subscribers from Mexico may be grouped in the second subgroup. The formation of subgroups based on geographic information assists in selecting target advertisements that are suitable for each group.

The subgroups may also be formed based on language skills, e.g., one or more subscribers speaking the same language may be grouped in the same subgroup.

As illustrated in FIG. 3, in one embodiment, the multicast subgroups may be formed by utilizing different routers. In FIG. 3, the transmitter/provider of information (sender) 301 is directly connected to Router 1 303. The sender 301 may be a web-based server or a network-based server or other comparable

means configured to distribute information to a plurality of receivers 305 via one or more routers 303. As illustrated in FIG. 3, Router 1 is directly coupled to sender 301 and thereby forms a multicast group. Different receivers 305 belonging to the multicast group of Router 1 are further distributed in subgroups. Receiver 1 and Receiver 2 belong to a first subgroup served directly by Router 1. Receiver 3 is in a second subgroup served by Router 2. Receiver 4 and 5 are in a third subgroup and are served by Router 3. Receiver 6 and 7 are in a fourth subgroup and are served by Router 4.

Standard Internet multicasting protocols may be used to create these subgroups. Internet-based multicast protocols are well known to those skilled in the art and include Internet Group Management Protocol (IGMP) protocols and other Transmission Control Protocol (TCP)/IP related protocols. Some of these multicast protocols are described in the book entitled Routing in the Internet authored by Christian Huitema, and published by Prentice-Hall in 1995, and in the volumes 1 and 2 of the books entitled Internetworking with TCP/IP, authored by Douglas E. Comer and Douglas E. Comer and David L. Stevens respectively, published by Prentice-Hall in 1995 and 1999. The aforementioned books are incorporated herein by reference.

The Internet Engineering Task Force RFCs 1112, 1458, 1301 and 966 specify protocols for multicasting and are incorporated herein by reference.

Other multicasting techniques may also be used to create lists of subscribers that form part of one or more multicast groups. These groups may be subscribers in diverse locations receiving a program stream, or may be a group of subscribers belonging to the listserv.

In the cable systems and satellite-based systems, the subgroups may be created by utilizing the existing configuration of cable networks. As an example, in a cable television system, the subscribers associated with a node may be considered to form a subgroup. As illustrated in FIG. 4, in a traditional cable-based network 300, a regional head end 302 is coupled to one or more local ends 304. Each local end 304

serves one or more nodes 306. Each node 306 serves one or more set-tops 308, and each set-top 308 in turn may serve one or more television sets 310. In general, the viewers of the information transmitted to the television sets are the  
5 subscribers.

The subgroups may be formed utilizing the configuration of a local head end 304, or a node 306. The nodes 306 are preferred because traditionally the local head end 304 serves a large number of viewers/households, wherein the node 306 serve  
10 only few households and thus may be used appropriately to form subgroups.

In a traditional cable-based system, a node 306 is configured to a plurality of set-tops 308 whereby the set-tops 308 receive transmission signals from the nodes 306. These  
15 transmission signals include programming contents as well as advertisements. Generally, the information is delivered via a transmission signal to one or more set-tops 308 located within the household, and for tracking purposes, a set-top 308 represents a subscriber. However, in actual practice, a single  
20 set-top 308 may serve one or more television sets 310.

As described before, depending on the application and the desired size of the subgroups, the subgroups may be based on the local head end 304 or may be based on the nodes 306.

Alternatively, the subgroups may be narrowed and may be  
25 based upon the different set-tops 308, whereby a household represents a subgroup. Generally, each set-top has a unique identifier and the subgroups may be defined by using a unique set-top identifier to create subgroups of geographically distinct set-tops.

30 In the future, the subgroups will be further narrowed to the level of television set 310 served from a single set-top 308. Thus, a single set-top 308 may represent a plurality of subscribers. In this case, different members of a household are different subscribers and the individual members of the  
35 household may be grouped in different subgroups for receiving different targeted advertisements. For example, the parents may receive a first target advertisement in their bedroom

television, and the television in the children's bedroom may receive a second target advertisement (even though the parents and the children may be watching the same program).

The cable-based systems and satellite-based systems may further utilize cable modems, such as Data Over Cable Service Interface Specification (DOCSIS) modems, or other devices configured to communicate with the Internet. For example, set-top boxes will have IP addresses and include DOCSIS cable modems having different channels.

10 In one embodiment, the advertisement streams (also referred as ad streams) are sent via a DOCSIS channel setup between a DOCSIS cable modem and a Cable Modem Termination System (CMTS). The CMTS relays all ad streams transmitted by the sender. The sender obtains, from the CMTS, the IP address  
15 of the set-top box that integrates a DOCSIS cable modem and transmits the advertisements to that IP address through the CMTS. The IP address can be part of a multicast group or it can be a unicast address. The ad streams may be transmitted using Internet technologies such as streaming media or other  
20 real time protocols.

The subscriber information relating to the nodes may be further customized/modified. For example, the addresses of the homes served by the node may be used along with public records to determine the average price that was paid for the home. The  
25 public records that sufficiently provide this information include tax records and other real estate information, e.g., the real estate information that associates zip codes with the median house prices may be used to determine the median house price of households served by a node. Other demographic  
30 information that may be of interest includes the predominant language which is spoken by the subscribers in the node, the average household size for households served by the node, and the average disposable income of households served by the node.

The present node sizes in cable television systems range  
35 from 300 to 1,500 subscribers, but the node sizes are likely to decrease as more bandwidth is required per home. This will result in smaller nodes, each node being fed by a fiber-optic



cable which transmits and receives signals from the head end. As node size is reduced the subgroup for advertising will also be reduced, thus permitting more directed advertisements.

In cable-based systems, and in Internet-based systems, once the target advertisements have been identified, the actual insertion of the advertisements in the program streams may occur at a centralized point (e.g., a server) or at a local point (e.g., at a client end).

FIG. 5 illustrates an exemplary process of inserting target advertisements at a centralized point. FIG. 5 is particularly applicable in an Internet environment. As shown in FIG. 5, there exists a plurality of target advertisements 502 that may have been received from many different advertisement servers 504. At a centralized point 506, these target advertisements are inserted into one or more actual program streams 508 to form a plurality of presentation streams, streams PS1 through PS3 are illustrated. Each presentation stream contains a different target advertisement. For exemplary purposes, it is illustrated that a sender 510 routes a first presentation stream (PS1) via one or more routers 512 to a first receiver, labeled Receiver 1. The second presentation stream (PS2) is being routed via a different router to Receiver 2. The third presentation stream 3 (PS3) is routed via a different router to Receivers 3 and 4. As one skilled in the art would know, numerous routers and/or various combinations of routers may be used to form different subgroups and for the transmission of the advertisements to these subgroups.

The process of centralized insertion is also applicable for the cable-based or for the satellite-based systems. In a cable television environment, the routing function may be accomplished in the head end, instead of being accomplished in the routers. Similarly, the receivers shown in FIG. 5 may correspond to one or more geographic nodes within the cable television system.

FIG. 6A and 6B illustrate another exemplary process of inserting advertisements at a centralized point. This process

may be used for cable-based systems. FIG. 6A illustrates an exemplary advertising insertion system (also referred as ad insertion system) 600. The ad insertion system 600 comprises an ad insertion multiplexer 602, where a number of program  
5 streams ( $P_1 - P_n$ ) are received and initially decoded by demux units DC1, DC2, through DCn. Advertisements, which are labeled as AD1 - ADm, are received separately. Timing modules AT1, AT2 through ATm are used to determine the appropriate insertion point for a new advertisement. The ad insertion mux 602 is  
10 responsible for multiplexing the program streams with appropriate advertisements and creating a plurality of presentation streams  $PS_1 - PS_p$ .

The program streams  $P_1 - P_n$  may comprise empty segments and the ad insertion mux 602 may insert target advertisements  
15 in these segments to create various presentation streams 1 through  $p$ . Alternatively, the program streams may contain original advertisements within the program contents and the ad insertion mux 602 may substitute the original ad with one of the selected advertisements and create presentation streams 1  
20 through  $p$ .

Thus, one feature of the system is the ability to take  $n$  program streams and  $m$  advertisements (also referred as ads) and create  $p$  presentation streams with  $p$  being larger than  $n$ . This represents the fact that the initial program streams have been  
25 used in conjunction with the multicast subgroups to create presentation streams with ads that are specifically directed at subgroups.

FIG. 6B illustrates the time independent feature of the advertisement insertion mux. This feature allows advertisements  
30 to be received at times not corresponding to the presentation times. The advertisements may be received shortly in advance of, or well in advance of, the insertion time, and may be stored in a temporary storage unit for insertion at a later time. As previously described, the advertisements may be  
35 received over a low bandwidth channel such that a 30 second advertisement is received in a period of minutes or even longer. The local digital storage unit such as a magnetic

storage unit, a magneto-optic storage unit, or an optical storage unit allows insertion any time subsequent to the reception.

In an exemplary case, the programming may be received at digital data rates in the 27-155 Mb/s range. A fiber optic transmission system based on Optical Carrier (OC)-3 or greater transport rates may be used for the transport of digital video program. The advertisements may be received over a lower data rate line, such as a T1 line operating at 1.5 Mb/s. In this example, optical transmission systems (special facilities) are used for the transmission of video signals, while the standard connections are used for the reception of advertisements.

FIGS. 5 and 6 relate to advertising insertion schemes wherein the target advertisements are inserted in the program streams at a centralized point. Alternatively, the target advertisements may be inserted locally at a client side, e.g., the subscriber's computer or the subscriber's set-top box.

FIG. 7 illustrates an exemplary process of inserting advertisements at a client side. This insertion scheme is particularly useful for Internet-based services. In the exemplary case of FIG. 7, a program stream 710 is transmitted from a sender 702 to a plurality of receivers 706 via one or more routers 704. The advertisements are simultaneously transmitted from the sender 702 wherein a first advertisement, AD1, is transmitted through a series of routers 704 to receiver 1. A second advertisement, AD2, is transmitted through a series of routers to receivers 2 and 3. A third advertisement, AD3, is transmitted through a series of routers to receiver 4.

FIG. 8 illustrates another implementation of local insertion of advertisements. This implementation is particularly applicable for cable-based and satellite-based systems. A program stream is received in conjunction with one or more advertisements at a client side. A media decoding unit 802 decodes the program stream along with at least one advertisement. An ad timing module 804 determines the point at which an advertisement should be inserted. An ad insertion module 806 inserts the advertisement into the program stream to

form a presentation stream that may be presented to the subscriber.

The media decoding module 802, the ad timing module 804, and the ad insertion module 806 may be realized via software means by manipulating associated packets. The software means may also be used to form one or more final presentation streams. In an audio environment, an audio receiving program running on a standard personal computer may be configured to receive a multicast audio program stream and to simultaneously receive one or more advertisements.

One feature of the present invention is that the advertising streams may be received over a channel that has a substantially lower bandwidth than the program stream. This is due to the fact that the advertisement may be received over a relatively long period of time with respect to the actual duration of the ad when playback is at normal speed. As an example, an audio program stream may be received at 56 kb/s, while the advertisement may be received over a 14.4 kb/s channel and buffered for insertion.

In an alternative embodiment, a hardware realization may be used for both media decoding and ad insertion. As an example, a video system may receive a program stream which is decoded in a video decoder such as an MPEG video decoder. The advertisements may be simultaneously received and inserted at the appropriate moment. This can be done in hardware such that the MPEG data stream is decompressed and the ad is inserted at the appropriate time. The presentation stream is then converted to an analog signal and transmitted to a display for viewing by the subscriber.

In one embodiment, the program stream and advertisements are received locally and the advertisements inserted before the programming is decoded. The packets containing the default advertising or programming may be substituted with new packets containing the desired advertisement. The composite signal is a coded or compressed presentation stream containing the new advertisement and may be sent to a decoding unit.

Generally, the insertion of advertisements in program streams is handled by a combination of cue-tone detectors, switching equipment and tape players which hold the advertising material. Upon receipt of the cue tone, an insertion  
5 controller automatically turns on a tape player containing the advertisement. Switching equipment then switches the system output from the video and audio signals received from the programming source to the output of the tape player. The tape player remains on for the duration of the advertising, after  
10 which the insertion controller causes the switching equipment to switch back to the video and audio channels of the programming source. When switched, these successive program and advertising segments usually feed to a radio-frequency (RF) modulator for delivery to the subscribers.

15 Many subscriber television systems, such as cable television systems are currently being converted to digital equipment. These new digital systems compress the advertising data, e.g., using Motion Picture Experts Group 2 (MPEG-2) compression, store the compressed data as a digital file on a  
20 large disk drive or several drives, and then, upon receipt of the cue tone, spool ("play") the file off of the drive to a decompressor. The video and accompanying audio data are decompressed back to a standard video and audio, and switched into the video/audio feed of the RF modulator for delivery to  
25 the subscriber.

A compressed program stream, generally, is a collection of video, audio, and data streams which usually share a common time base. To enable the inserting of different advertisements in compressed program streams (video, audio, or data),  
30 different advertising breaks or splice points are identified. Splice points in a compressed program stream provide opportunities to switch from one program to another. They indicate a safe place to switch, a place in the bit stream, where a switch can be made, and result in good visual and audio  
35 quality. They are analogous to the vertical (blanking) interval used to switch uncompressed video. Unlike uncompressed video, frame boundaries in an MPEG-2 bit stream

are not evenly spaced. Therefore, the syntax of the transport packet itself is used to convey where these splice points may occur.

There exists a plurality of standards in the current technologies that provides a description of splice points and other constraints for encoding and inserting in program streams, e.g., MPEG-2 transport streams. In systems utilizing MPEG-2, the transport streams may be spliced without modifying the Packetized Elementary Stream (PES) packet payload. The systems are in compliance with existing Society of Motion Picture and Television Engineers (SMPTE) standards, e.g., SMPTE 312M-1999, and the constraints specified in the standard are applied individually to program streams within transport streams.

Splicing of MPEG bit streams also requires managing buffer fullness of the decoder's buffers. When MPEG bit streams are encoded, there is an inherent buffer occupancy at every point in time. The buffer fullness corresponds to a delay, the amount of time that a byte spends in the buffer. When splicing two separately encoded bit streams, the delay at the splice point will not usually match. This mismatch in delay can cause the buffer to overflow or underflow at some time in the future.

To avoid unpredictable underflows and overflows, the splicing method requires that the MPEG encoder match the delay at splicing points to a given value. Alternatively, the syntax of the transport packet itself may be used to convey where these splicing points may occur.

Two different types of splice points may be defined: Out Points and In Points. In Points are places in the bit streams where it is safe to enter and start decoding that bit stream. Out points are places where it is safe to exit the bit stream. Out Points and In Points are imaginary points in the bit stream located between two transport stream packets. An Out Point and an In Point may be co-located, that is, a single packet boundary may serve as both a safe place to leave a bit stream and a safe place to enter it.

The SMPTE standard describes requirements for grouping In Points of a set of program identifiers (PID) streams into Program In Points, and for grouping Out Points of a set of PID streams into program Out points which correspond in presentation time to the underlying data. Furthermore, because MPEG video and audio frames have different durations, and their presentation times do not necessarily align, this standard defines exactly what it means for PID stream splice points to correspond in time. More information on this standard may be found in a document entitled "SMPTE Standard for Television, Splice Points for MPEG-2 Transport Schemes", published by the Society of Motion Picture and Television Engineers, 595 W. Hartsdale Avenue, White Plains, NY 10607.

Thus, one object of the invention is to provide for efficient real-time distribution of one or more variable bit-rate (VBR) programs to one or more receivers. In cases where a plurality of programs are multiplexed together and distributed simultaneously, it is possible, in the context of the present invention, for one or more of these programs to be encoded at a constant bit rate (CBR). Typically, each variable bit rate or constant bit rate program consists of a video stream component, one or more audio stream components, and possibly one or more data stream components. Each of these real-time distributed programs is hereinafter referred to as primary programs.

It is another object of the invention to selectively distribute advertisements in the form of auxiliary data to one or more receivers. The auxiliary data is distributed in non-real time using any available channel capacity, and is stored locally at the selected receivers for real-time presentation at a later time. In accordance with the foregoing, one aspect of the invention comprises a method and apparatus for efficient CBR distribution of program streams, along with advertisements (auxiliary data) to one or more receivers. A primary data stream, comprising at least one VBR program, and possibly one or more CBR programs, is converted to a CBR data stream by inserting advertisements where fill packets would have otherwise been used to create a CBR data stream. The

distribution of the program streams and advertisements is based on subgroups.

Furthermore, the advertisements in the form of the auxiliary data may be differentiated from the primary programs in that the auxiliary data need not be distributed in real time. By doing away with the requirement for real-time or near real-time distribution of at least a portion of the program multiplex, it becomes easier to efficiently utilize the available channel bandwidth.

10 In an exemplary embodiment of this aspect of the invention, the program streams and the advertisements (auxiliary data) are each assumed to be divided into segments or packets. The packets of auxiliary data are inserted in between the packets of the primary programs whenever the distribution  
15 channel is idle for a time interval that is at least as long as the time interval needed to transmit the next packet of auxiliary data. In addition, MPEG-compliant program map data illustrating the location of each of the primary program or auxiliary data stream components in the multiplexed data stream  
20 are inserted into the data stream for use at the receivers. Such program maps are described in .sctn.2.4.4 of the MPEG system layer documentation, ISO/IEC 13818-1.

In connection with the foregoing, another aspect of the invention comprises a method and apparatus for receiving the  
25 CBR distribution data stream at a particular receiver, and combining selected program streams with selected advertisements to create a customized augmented program for that particular receiver. The receiver is configured with sufficient local storage to buffer the selected advertisements until they are  
30 needed, for insertion into the selected primary program or for other presentation, at a later time.

In an exemplary embodiment of this aspect of the invention, a receiver program selector receives the distribution data stream and uses a program map embedded  
35 therein to direct program and auxiliary data multiplexers (MUXes) to extract a selected primary program and selected portions of the auxiliary data stream, respectively. A video



augmentation unit then inserts the selected auxiliary data into the primary program stream to create an augmented primary program which is supplied for decoding and viewing. In the typical case, the auxiliary data comprises short program  
5 segments including both video and audio data.

In this way, individual receivers which include some form of local storage could be programmed to receive certain program segments or certain types of program segments at any time of the day. For example, all new car advertisements could be  
10 classified together and assigned a unique group identification number. If such advertisements are periodically extracted from an auxiliary data library and combined with the multiplexed primary programs prior to distribution, then the program map embedded in the distribution data stream would be updated to  
15 reflect such additions. A receiver that has been programmed to receive all advertisements pertaining to new automobiles, and which is monitoring the received bit stream could detect such an advertisement by matching the relevant group classification number in the embedded program table with an internal list  
20 representative of the types of programs which it has been programmed to receive. The PIDs corresponding to any associated audio, video, or data streams comprising the advertisement, could then be extracted from the distribution data stream and copied to local storage for viewing at a later  
25 time.

In an alternative embodiment of the invention, the selected auxiliary data need not be combined with a primary program, but can be maintained separately for independent presentation as in the case of non-video data. For example,  
30 the new car advertising mentioned above could take the form of brochures to be printed on a receiver's printer or an interactive computer demo to be displayed on his computer.

FIG. 9 illustrates the migration of services from the present suite of services that are transmitted as broadcast  
35 services with program IDs (PIDs) 902 and broadcast services with IP addressing 904, to medium bandwidth services 906 which can include broadcast programming labeled by program

identifiers and combined with multicast advertisements, as well as multicast programming with multicast ads. Also illustrated in FIG. 9 is the migration from medium bandwidth services 906 to unicast services 908 including unicast programming and unicast ads. In unicast services, the individual advertisements are delivered directly to the subscriber along with the individually selected programming.

FIGS. 10A and 10B respectively illustrate MPEG multicast and Internet multicast ad insertion tables. As shown in FIG. 10A, the program identifier (PID) which identifies a program stream is associated with a presentation stream ID (PS ID) or a node ID (NODE ID) and an advertisement ID (AD ID). The table of FIG. 10A helps in determining which advertisements (ads) should be directed to which nodes or program streams. If required, as in the cases of local insertion, an ad insert time may also be included. The ad insert time indicates the times at which the ads should be inserted in the corresponding program streams.

In FIG. 10B, the subscriber IP addresses are shown and are associated with program multicast addresses and ad multicast addresses. This table indicates which multicast subgroups should be formed and which advertisements should be inserted. Thus, all subscribers can receive the same program multicast but can receive different ad multicasts as determined by the associations in the table.

For example, a combination of the MPEG program ID and multicast addressing schemes can be used in which MPEG programming ID streams and presentation stream or node IDs have ad multicast addresses associated with them. This technique can be used when out-of-band ads are transmitted to cable television set-tops over a cable modem channel. The advertisements are directed according to the advertisement multicast addresses, while programming is delivered via traditional cable television channels. The local insertion technique may be used to match the program ID with the ad multicast.

The advertisements may be inserted into program streams to create a plurality of presentation streams that are directly

transmitted to a group of subscribers. An example of this embodiment is the substitution of advertisements in a cable television system at the cable TV head end and transmission of the new program presentation stream directly to the subscriber.

- 5 In another embodiment, an Internet sender inserts ads destined for a subgroup multicast and multicasts the new presentation stream to the subscribers in that multicast subgroup.

An alternate form of in-band transmission used to transmit advertisements within a cable television system is the digital multiplexed signal that forms a 27 Mb/s digital cable channel containing multiple program streams. The multiplexed signal may comprise a digital payload containing a plurality of programs/channels. One of the channels within the multiplexed signal may contain one or more target advertisements instead of traditional programming. These advertisements, when received at the subscriber side, may be inserted at the appropriate moment using subscriber side ad insertion.

The advertisements may also be transmitted in an in-band channel at a lower rate than their viewing rate, and are stored and played back at the appropriate moment. The advertisements may also be transmitted via a channel that is out of band relative to the original program stream. In the out-of-band transmission techniques, the advertisements are transmitted in a channel that is separate from the programming channel. In one embodiment, the out-of-band advertisement transmission occurs in an Internet audio system wherein the programming is transmitted on one multicast channel to a first group of subscribers, and one or more advertisements are transmitted on a second multicast channel to a second group of subscribers.

30 In another embodiment, the out-of-band transmission of advertisements is accomplished by using a cable television data channel such as a DOCSIS cable modem channel. In this embodiment, the advertisements are transmitted to the subscriber in an out-of-band channel that is separate from the video programming channel. The ads are inserted into a presentation stream in a set-top or in a computer, and are displayed to the subscriber on the television or computer

screen. The ability to transmit data on a channel that is separate from the television programming channel is well known to those skilled in the art. Technical specifications for cable modems are provided in the CableLabs Data Over Cable Service Interface Specification (DOCSIS) available at <http://www.cablemodem.com/public/pubtech.html> which are incorporated herein by reference.

In central insertion techniques as well as in local insertion techniques, appropriate advertising breaks within the entertainment program stream must be detected so that the targeted advertisements may be inserted at these breaks. In the central insertion techniques, the breaks are detected and the target advertisements are multiplexed at those breaks. In the local insertion techniques, the information about the breaks is transmitted to the client side so that the advertisements may be inserted locally at those breaks.

Generally, the programming or entertainment program streams include digital video or audio streams that contain programming of interest to the subscriber. This programming may be entertainment programming in the form of shows, news, theatre, and movies, or may be data programming including but not limited to stock quotes, travel information, or other types of information that may be broadcasted to a plurality of subscribers.

Generally, the program streams are digitized and compressed in order to be transmitted over a limited bandwidth channel. A variety of compression schemes may be used. For video, these techniques include the MPEG compression standard, as well as any of the video streaming standards used for the transmission of video over the Internet. For audio systems, a variety of audio compression and transmission techniques may be used including the compression and transmission system developed by Real Networks and sold under the trademark REALAUDIO, as well as other audio compression and transmission systems available for use on the Internet. These video and audio compression and transmission systems allow for the incorporation of advertisements when initially placed in the

audio or video stream. Once placed in the stream, a variety of techniques may be used to detect their presence.

One technique that may be used to detect an advertisement break in the compressed digital stream is the placement of an audible or inaudible tone within the digital stream. This tone may be used to mark the beginning or end of the advertisement. An alternate technique is to place a known digital code in the audio or video stream that permits recognition of the advertisement. This code may indicate the duration of the advertisement. Using this technique, digital circuitry may be used to recognize the beginning of the advertisement. Other techniques are also envisioned.

Once the advertisement is located and removed from the audio or video stream, it may be necessary to "heal" the stream such that there is no disruption in the compression algorithms which may rely on information which is interspersed in the advertisement. The interspersing of information may be such that programming information is included in a digitized advertisement which will be replaced. A healing technique may be used to replace the original audio or video information and inserted ad, and consists of locating the information in the stream which is related to the programming and insuring that it is contained within the new advertisement that is inserted into the programming.

Although this invention has been illustrated by reference to specific embodiments, it will be apparent to those skilled in the art that various changes and modifications may be made which clearly fall within the scope of the invention. The invention is intended to be protected broadly within the spirit and scope of the appended claims.

**Claims**

What is claimed is:

1. A method for presenting targeted advertisements in a telecom system, the method comprising:

forming a group for the reception of signals for the telecom system;

forming a plurality of subgroups for the group;

receiving a program stream;

selecting one or more targeted advertisements for a first subgroup; and

transmitting the program stream and the targeted advertisements selected for the first subgroup to the first subgroup.

2. The method of claim 1, further comprising:

selecting one or more targeted advertisements for a second subgroup; and

transmitting the program stream and the advertisements selected for the second subgroup to the second subgroup.

3. The method of claim 2, wherein said transmitting to the first subgroup and said transmitting to the second subgroup are performed simultaneously.

4. The method of claim 1, wherein the subgroups are formed by using multicast addresses.

5. The method of claim 4, wherein the multicast addresses are based on Internet multicasting protocol.

6. The method of claim 1, wherein the subgroups are based on cable nodes.

7. The method of claim 1, wherein the subgroups are formed by transmitting an MPEG signal over a cable television network.

8. The method of claim 1, wherein the subgroups are based on demographic attributes.
9. The method of claim 1, wherein the subgroups are based on psychographic attributes.
10. The method of claim 1, wherein the subgroups are based on product and brand usage attributes.
11. The method of claim 1, wherein said transmitting includes multiplexing the program stream and the selected target advertisements at a centralized point to create a presentation stream.
12. The method of claim 11, wherein said multiplexing is performed in real-time.
13. The method of claim 11, wherein the selected target advertisements are stored temporarily in a storage for insertion at a later time.
14. The method of claim 11, wherein the program stream comprises one or more empty segments and during multiplexing the selected targeted advertisements are inserted in the empty segments.
15. The method of claim 11, wherein the program stream comprises one or more default advertisements and during multiplexing the default advertisements are substituted with the selected targeted advertisements.
16. The method of claim 1, further comprising inserting the selected targeted advertisements in the program stream at a client side.

17. The method of claim 16, wherein the client side is provided with the insertion time and the identification of the selected target advertisements.

18. The method of claim 16, wherein the program stream comprises one or more empty segments and the identification of these empty segments is transmitted to the client side

19. The method of claim 16, wherein the program stream comprises one or more default advertisements, and at the client side, the default advertisements are substituted with the selected targeted advertisements.

20. The method of claim 1, wherein  $n$  program streams are combined with  $m$  advertisement streams resulting in  $p$  presentation streams, wherein  $p$  is greater than  $n$ .

21. The method of claim 1, wherein the program stream is transmitted as a first digital signal and the targeted advertisements are transmitted as a second digital signal.

22. The method of claim 21, wherein the first digital signal is transmitted to the whole group and the second digital signal is transmitted only to a subgroup.

23. The method of claim 21, wherein the first digital signal is transmitted via a digital transport network over a first channel and the second digital signal is transmitted over a second channel.

24. The method of claim 23, wherein the first channel is a digital cable television channel and the second channel is a digital data channel in a cable television system.

25. The method of claim 23, wherein the first channel is a streaming video channel over the Internet and the second channel is an audio channel over the Internet.



26. The method of claim 23, wherein the first and the second channels are streaming video channels over the Internet.

27. The method of claim 1, wherein the signals are cable-based video signals.

28. The method of claim 1, wherein the signals are broadcast-based video signals.

29. The method of claim 1, wherein the signals are Internet-based streaming video signals.

30. The method of claim 1, further comprising:  
assigning a subgroup address to each subgroup;  
assigning an advertisement identifier to each of the targeted advertisements; and  
creating a relationship between the subgroup address and one or more advertising identifiers.

31. The method of claim 30, wherein the targeted advertisements are inserted into the program stream based on the advertisement identifiers.

32. The method of claim 31, wherein the insertion occurs at a centralized point.

33. The method of claim 31, wherein the insertion occurs at a local end.

34. A method for presenting targeted advertisement comprising:  
receiving  $n$  program streams, wherein the program streams include continuous programming material;  
receiving  $m$  advertisement streams, wherein the advertisement streams include advertising material; and

creating  $p$  presentation streams, wherein the  $p$  presentation streams contain continuous programming and at least one of the  $m$  advertisements, and wherein  $p$  is greater than  $n$ .

35. The method of claim 34, wherein the  $p$  presentation streams are transmitted to  $p$  subgroups.

36. The method of claim 35, wherein the  $p$  subgroups belong to a group.

37. The method of claim 35, wherein each of the  $p$  subgroups receives the same program stream.

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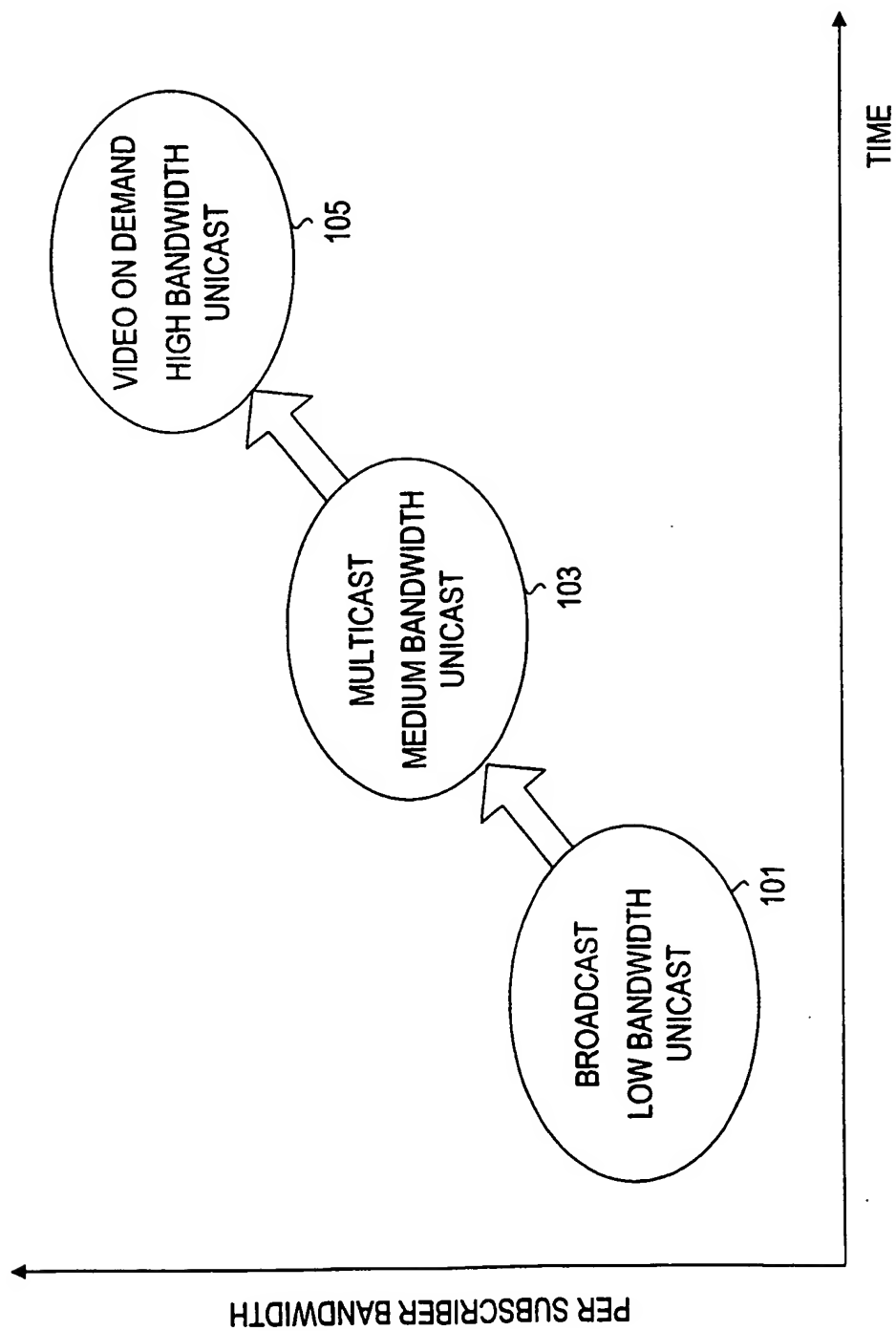


FIG. 1

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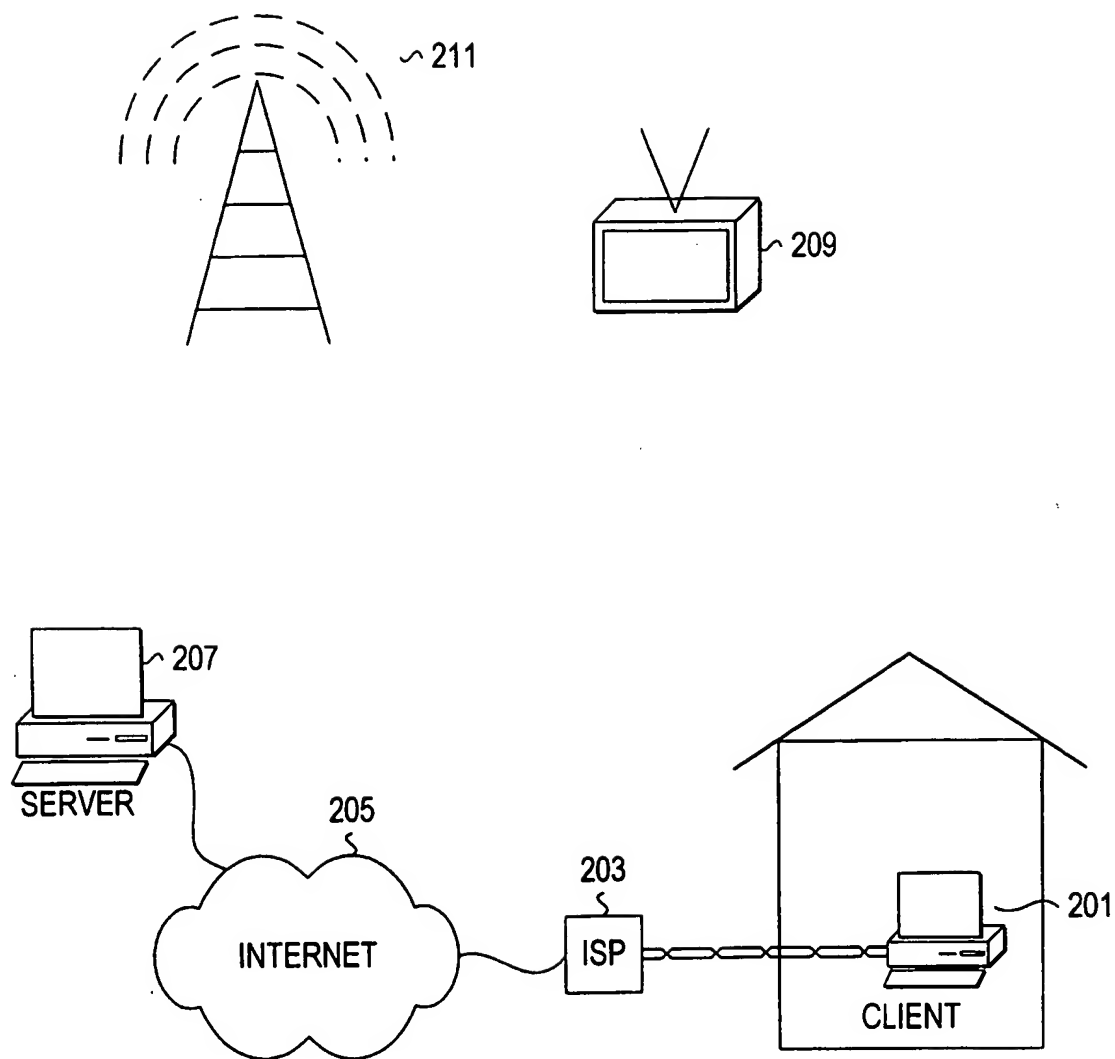


FIG. 2

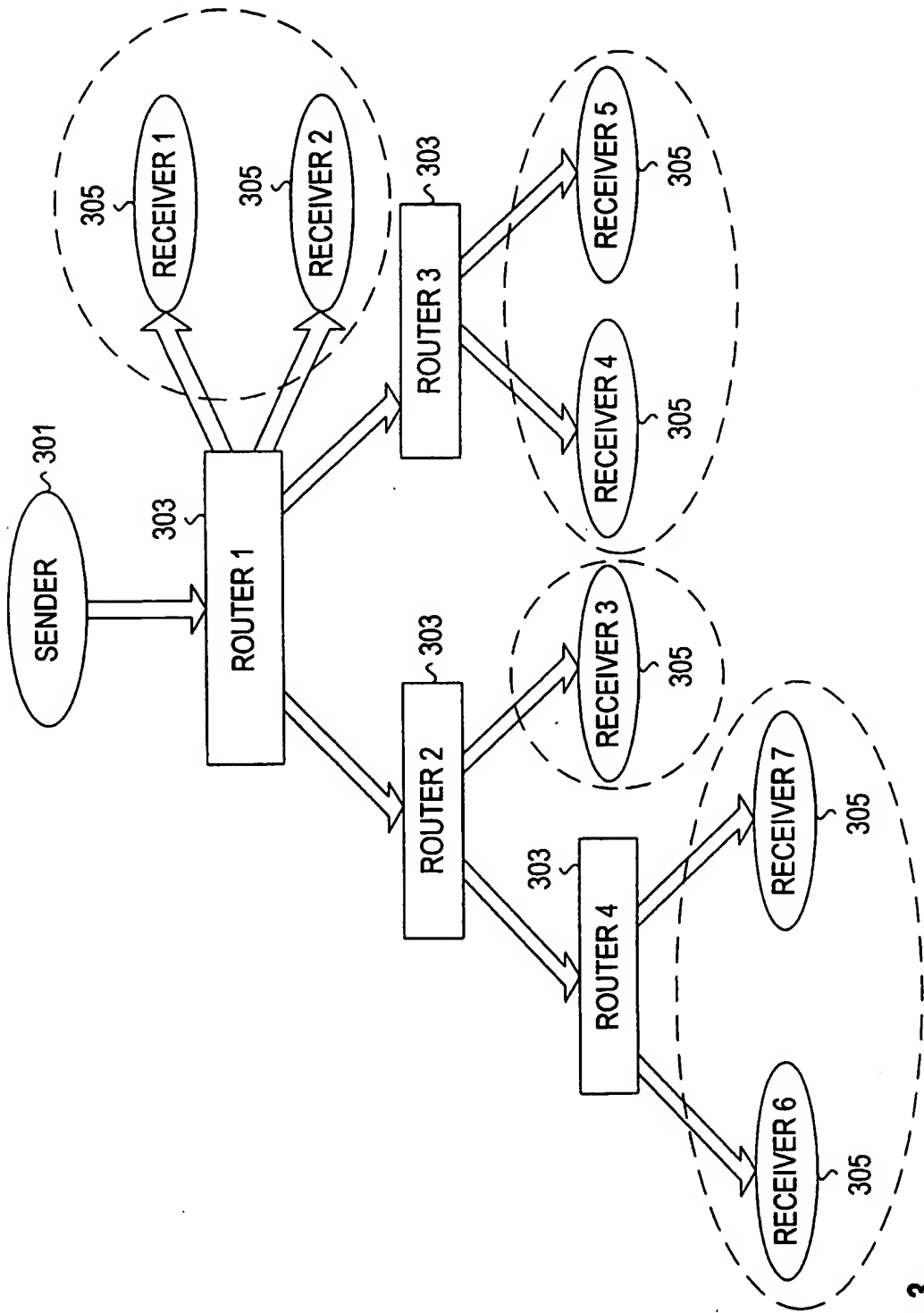


FIG. 3

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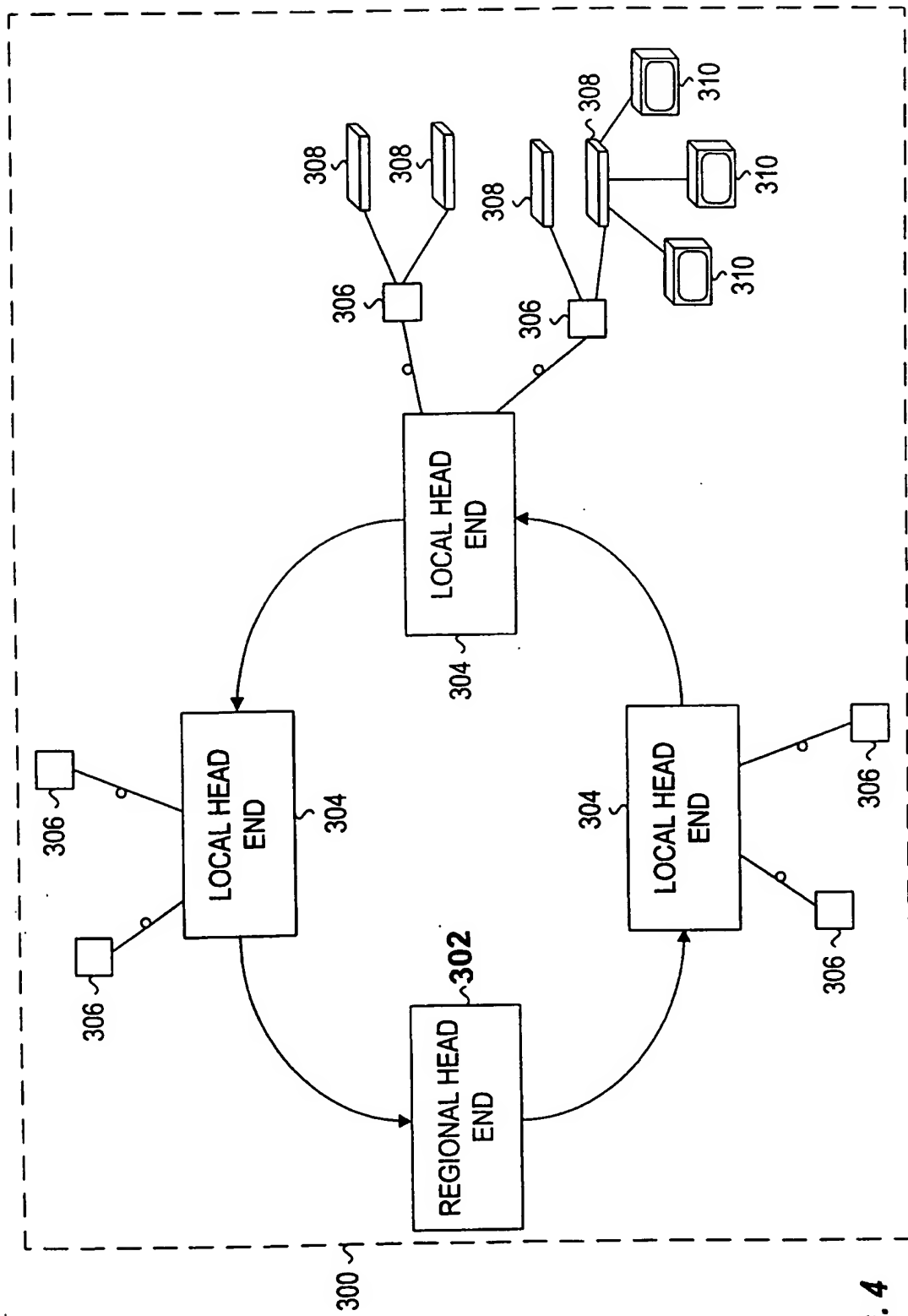
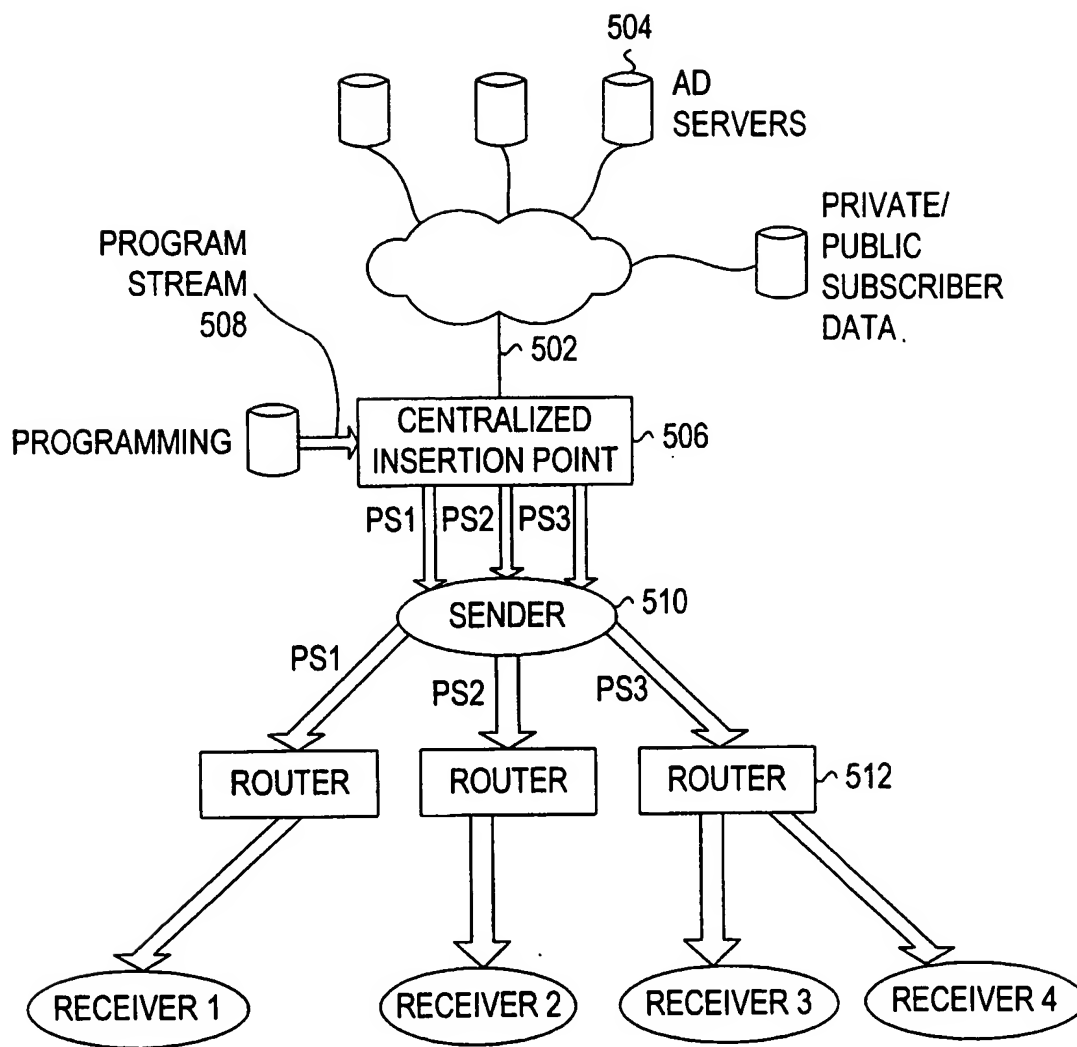


FIG. 4

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**FIG. 5**

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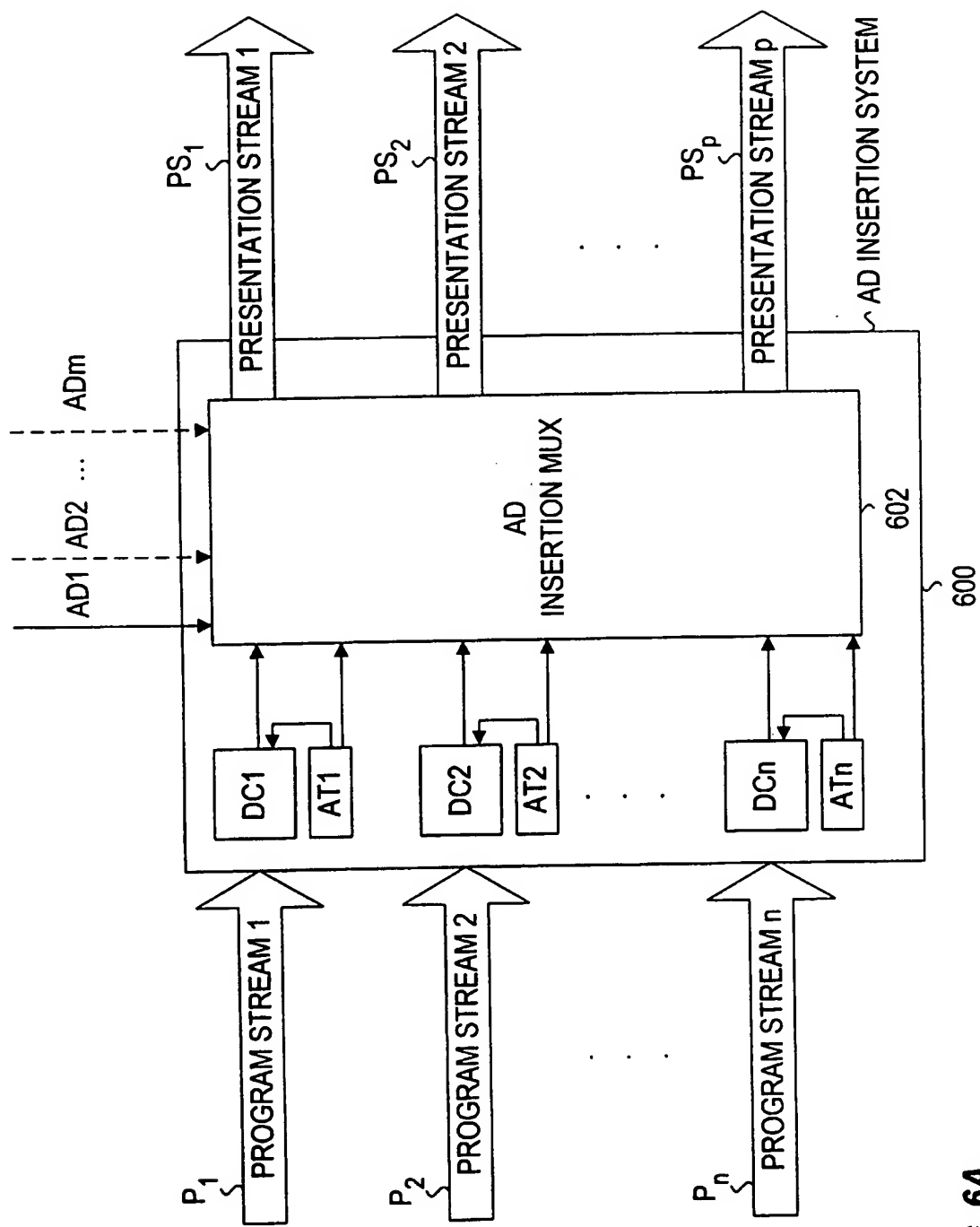


FIG. 6A



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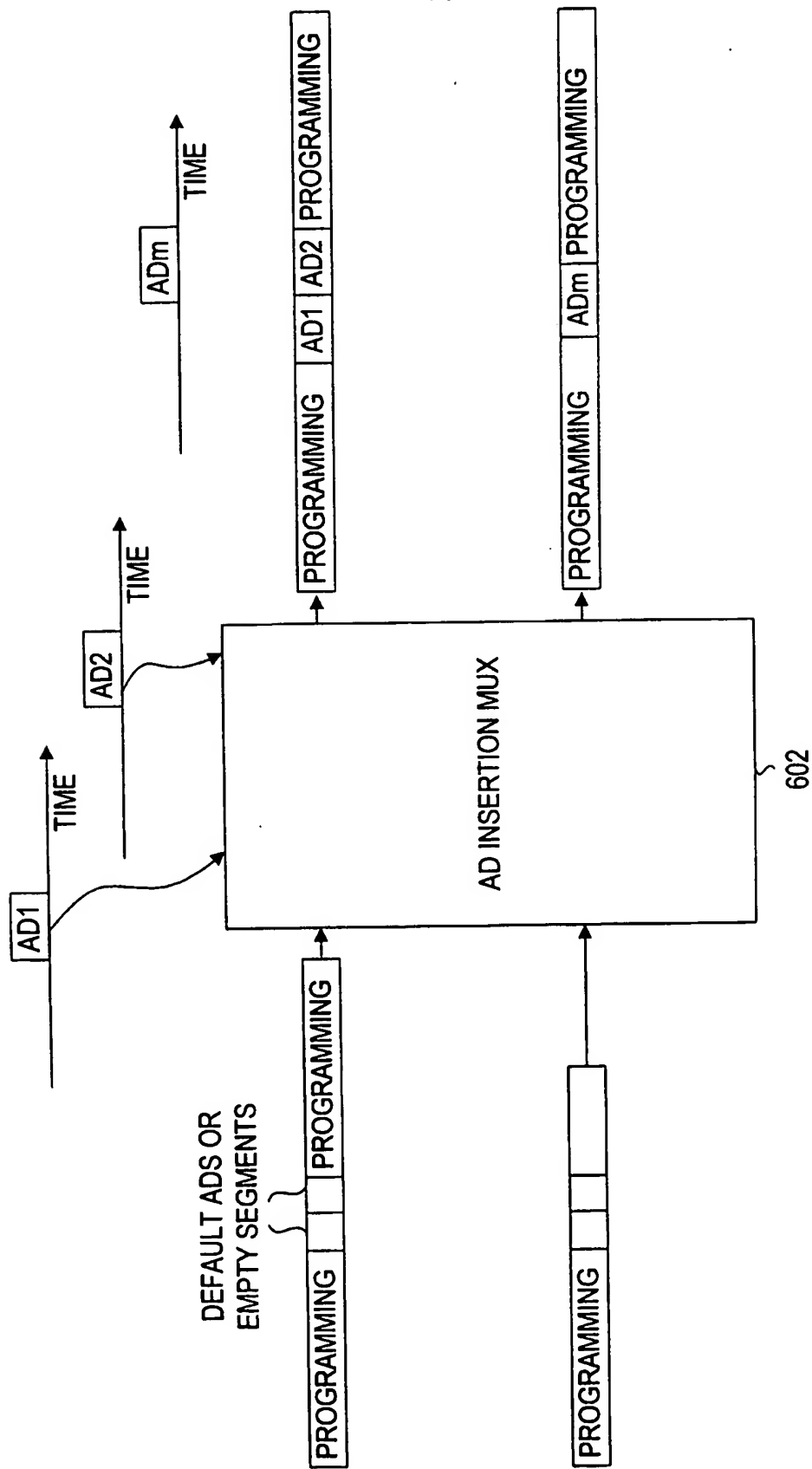
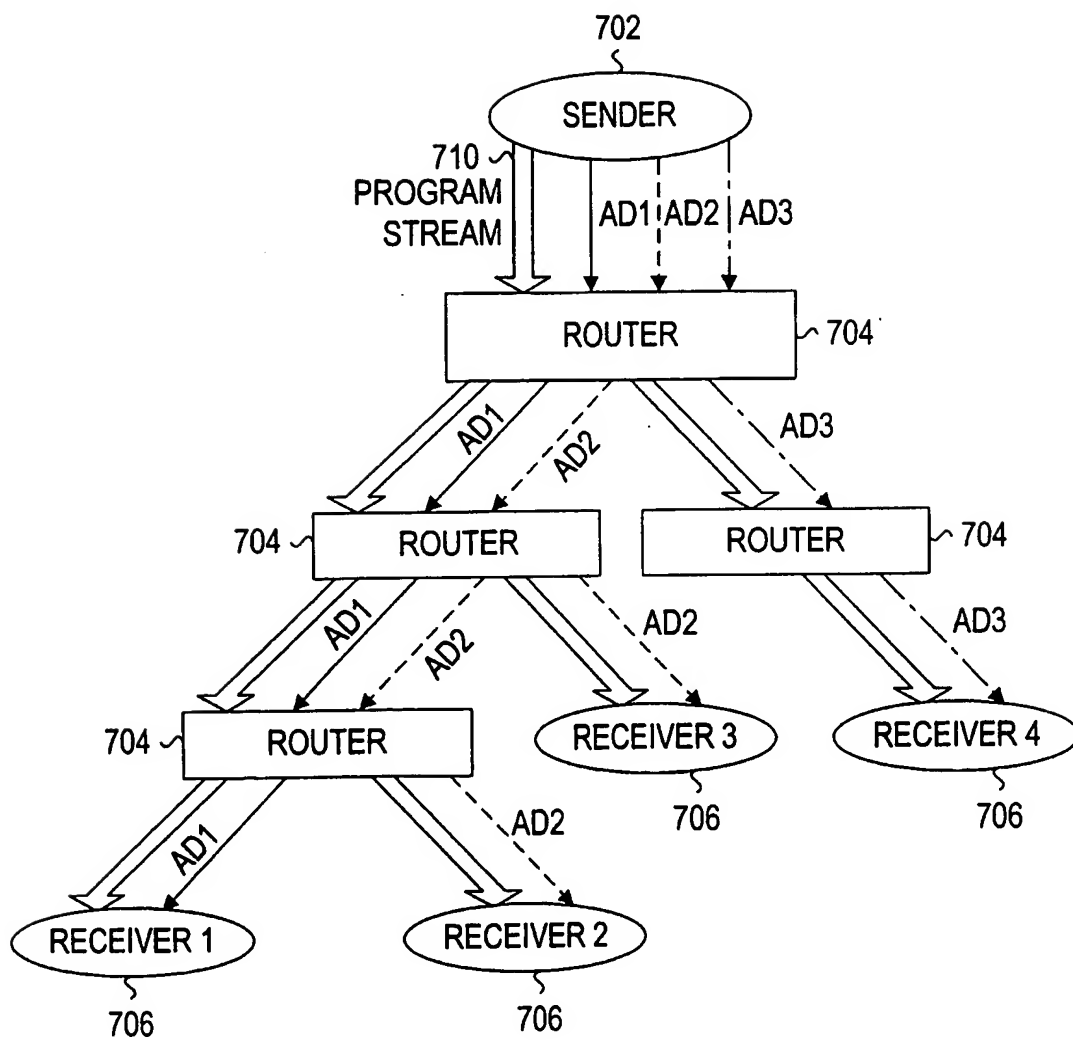


FIG. 6B

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**FIG. 7**

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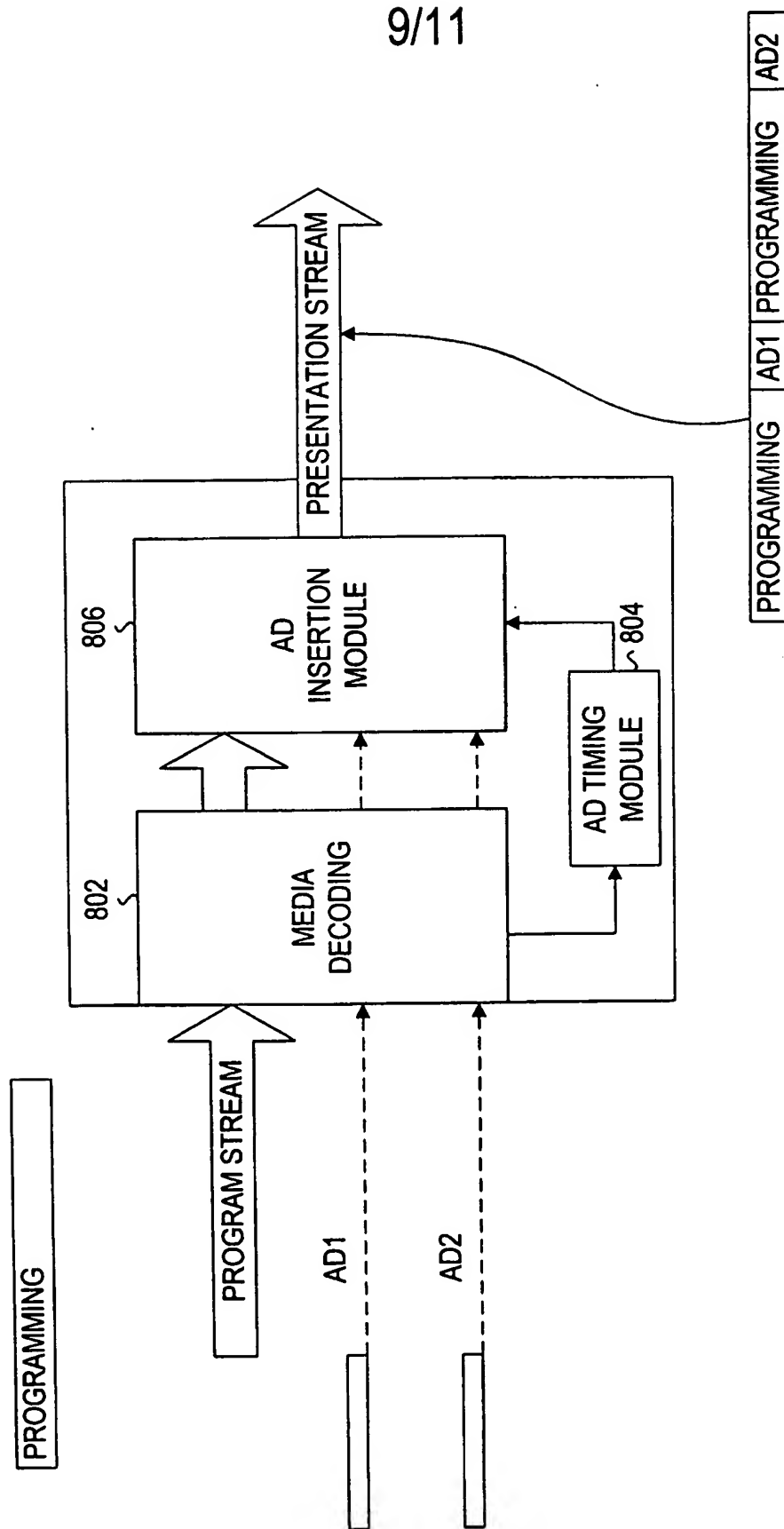


FIG. 8

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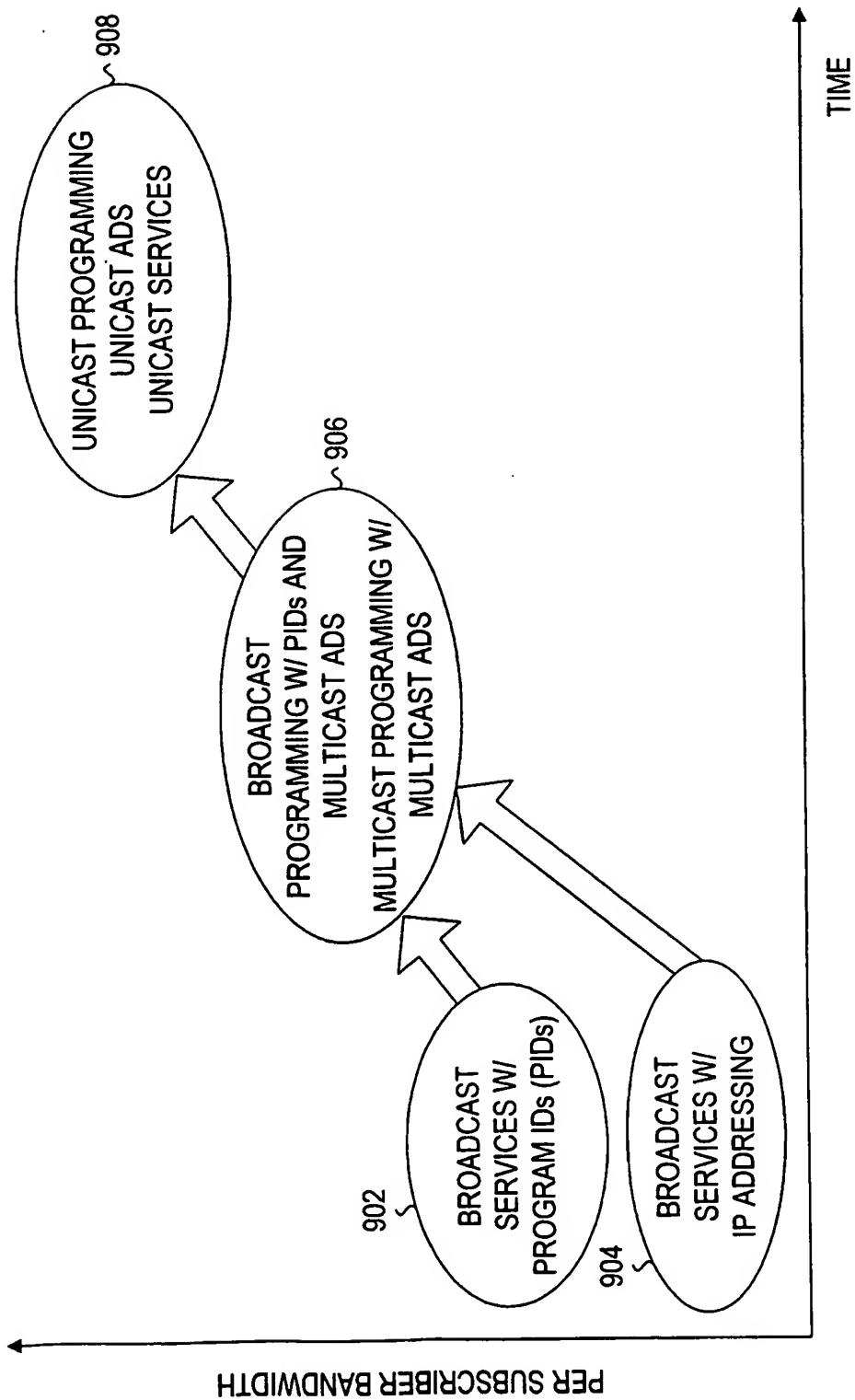


FIG. 9

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PID	INSERT TIME	PS ID/ NODE ID	AD ID
357123	08:32:29	1	3
327112	14:57:12	2	4
⋮	⋮	⋮	⋮
367152	24:12:33	8	10

**FIG. 10A**

SUBSCRIBER IP ADDRESSES	PROGRAM MULTICAST ADDRESSES	AD MULTICAST ADDRESSES
128.10.2.2	224.10.12.2	231.15.12.7
128.15.22.712	225.10.15.7	230.100.107.6
⋮	⋮	⋮
128.14.12.5	225.10.12.8	230.12.18.9

**FIG. 10B**

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(72) Inventor; and  
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**Published:**

- With international search report.
- With amended claims.

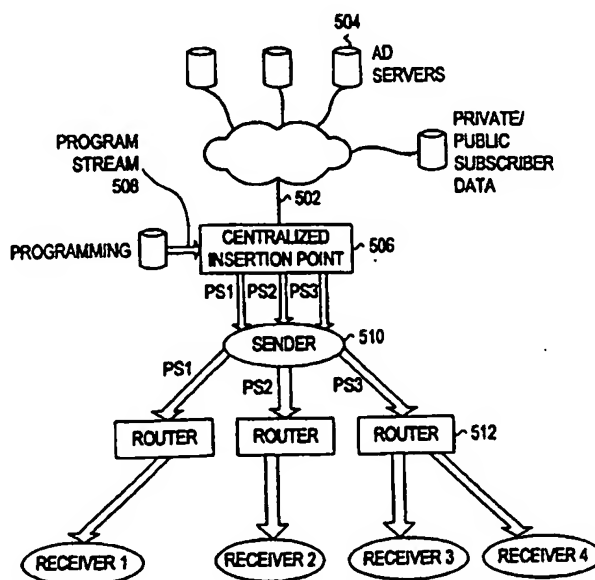
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(88) Date of publication of the international search report:  
**18 January 2001**

Date of publication of the amended claims: **15 March 2001**

[Continued on next page]

(54) Title: **ADVERTISEMENT SUBGROUPS FOR DIGITAL STREAMS**



(57) Abstract: A targeted advertising system based on subgroups. Different subgroups are formed based on one or more subscriber characteristics, and different targeted advertisements transmitted to the different subgroups. In the Internet-environment, the subgroups are formed by utilizing multicast addresses. In cable-based and satellite-based systems, the subgroups are formed by node configurations. The targeted advertisements (504) may be transmitted simultaneously with programming (508) and inserted locally, or may be inserted at a centralized distribution point (506) such as a router or cable television local head-end. An apparatus is presented which receives  $n$  program streams and  $m$  advertisements, and creates  $p$  presentation streams containing targeted advertisements, where  $p$  is greater than  $n$ .

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*For two-letter codes and other abbreviations, refer to the "Guidance Notes on Codes and Abbreviations" appearing at the beginning of each regular issue of the PCT Gazette.*

## AMENDED CLAIMS

[received by the International Bureau on 6 January 2001 (06.01.01);  
new claims 38-54 added; remaining claims unchanged (4 pages)]

38. A method for presenting targeted advertisements in a telecom system, the method comprising:

forming a group for reception of signals from the telecom system;

5 forming a plurality of subgroups for the group;

receiving a program stream;

selecting one or more targeted advertisements for a first subgroup;

10 multiplexing the program stream and the selected targeted advertisements at a centralized location to create a first presentation stream; and

transmitting the first presentation stream to the first subgroup.

15 39. The method of claim 38, further comprising:

selecting one or more targeted advertisements for a second subgroup;

20 multiplexing the program stream and the selected targeted advertisements for the second subgroup at a centralized location to create a second presentation stream; and

transmitting the second presentation stream to the second subgroup.



40. The method of claim 39, wherein said transmitting to the first subgroup and said transmitting to the second subgroup are performed simultaneously.

5 41. The method of claim 38, wherein the subgroups are formed by using multicast addresses.

42. The method of claim 41, wherein the multicast addresses are based on Internet multicasting protocol.

10

43. The method of claim 38, wherein the subgroups are based on cable nodes.

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44. The method of claim 38, wherein the subgroups are  
15 formed by transmitting an MPEG signal over a cable television network.

45. The method of claim 38, wherein the subgroups are based on demographic attributes.

20

46. The method of claim 38, wherein the subgroups are based on psychographic attributes.

47. The method of claim 38, wherein the subgroups are based on product and brand usage attributes.

48. The method of claim 38, wherein said multiplexing is performed in real-time.

49. The method of claim 38, wherein the selected target advertisements are stored temporarily in storage for insertion at a later time.

10

50. The method of claim 38, wherein the program stream comprises one or more empty segments and during said multiplexing the selected targeted advertisements are inserted in the empty segments.

15

51. The method of claim 38, wherein the program stream comprises one or more default advertisements and during said multiplexing the default advertisements are substituted with the selected targeted advertisements.

20

52. The method of claim 38, wherein  $n$  program streams are combined with  $m$  advertisement streams resulting in  $p$  presentation streams, wherein  $p$  is greater than  $n$ .

53. The method of claim 38, further comprising:

assigning a subgroup address to each subgroup;

assigning an advertisement identifier to each of the  
selected targeted advertisements; and

5 creating a relationship between each subgroup address and  
each advertising identifiers.

54. The method of claim 53, wherein the selected targeted  
advertisements are inserted into the program stream based on

.0 the advertisement identifiers.

## INTERNATIONAL SEARCH REPORT

 International application No.  
PCT/US00/12710

## A. CLASSIFICATION OF SUBJECT MATTER

IPC(7) : H04N 7/16

US CL : 345/327; 348/10

According to International Patent Classification (IPC) or to both national classification and IPC

## B. FIELDS SEARCHED

Minimum documentation searched (classification system followed by classification symbols)

U.S. : 345/327; 348/6-13; 455/3.1-6.3; H04N 7/16, 7/173

Documentation searched other than minimum documentation to the extent that such documents are included in the fields searched

Electronic data base consulted during the international search (name of data base and, where practicable, search terms used)

## C. DOCUMENTS CONSIDERED TO BE RELEVANT

Category*	Citation of document, with indication, where appropriate, of the relevant passages	Relevant to claim No.
X -- Y	US 5,815,671 A (MORRISON) 29 September 1998 abstract, columns 2-3 & figures 2-4	1-33 ----- 34-37
X -- Y	US 5,446,919 A (WILKINS) 29 August 1995 whole document	1-33 ----- 34-37
X	US 5,155,591 A (WACHOB) 13 October 1992 whole document	34

☐ Further documents are listed in the continuation of Box C.
 ☐ See patent family annex.

* Special categories of cited documents:	*T* later document published after the international filing date or priority date and not in conflict with the application but cited to understand the principle or theory underlying the invention
*A* document defining the general state of the art which is not considered to be of particular relevance	*X* document of particular relevance; the claimed invention cannot be considered novel or cannot be considered to involve an inventive step when the document is taken alone
*E* earlier document published on or after the international filing date	*Y* document of particular relevance; the claimed invention cannot be considered to involve an inventive step when the document is combined with one or more other such documents, such combination being obvious to a person skilled in the art
*L* document which may throw doubts on priority claim(s) or which is cited to establish the publication date of another citation or other special reason (as specified)	*A* document member of the same patent family
*O* document referring to an oral disclosure, use, exhibition or other means	
*P* document published prior to the international filing date but later than the priority date claimed	

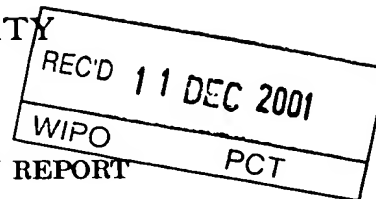
Date of the actual completion of the international search 22 SEPTEMBER 2000	Date of mailing of the international search report 08 NOV 2000
Name and mailing address of the ISA/US Commissioner of Patents and Trademarks Box PCT Washington, D.C. 20231 Facsimile No. (703) 305-3230	Authorized officer CHRISTOPHER GRANT <i>Rugenia Zogan</i> Telephone No. (703) 305-4755

## PATENT COOPERATION TREATY

## PCT

## INTERNATIONAL PRELIMINARY EXAMINATION REPORT

(PCT Article 36 and Rule 70)



Applicant's or agent's file reference T711-01PCT	<b>FOR FURTHER ACTION</b> See Notification of Transmittal of International Preliminary Examination Report (Form PCT/IPEA/416)	
International application No. PCT/US00/12710	International filing date (day/month/year) 10 MAY 2000	Priority date (day/month/year) 10 MAY 1999
International Patent Classification (IPC) or national classification and IPC IPC(7): H04N 7/16 and US Cl.: 725/35		
Applicant TELECOM PARTNERS LTD		

1. This international preliminary examination report has been prepared by this International Preliminary Examining Authority and is transmitted to the applicant according to Article 36.
2. This REPORT consists of a total of 5 sheets.

☒ This report is also accompanied by ANNEXES, i.e., sheets of the description, claims and/or drawings which have been amended and are the basis for this report and/or sheets containing rectifications made before this Authority. (see Rule 70.16 and Section 607 of the Administrative Instructions under the PCT).

These annexes consist of a total of 32 sheets.

3. This report contains indications relating to the following items:

- I ☒ Basis of the report
- II ☐ Priority
- III ☐ Non-establishment of report with regard to novelty, inventive step or industrial applicability
- IV ☐ Lack of unity of invention
- V ☒ Reasoned statement under Article 35(2) with regard to novelty, inventive step or industrial applicability; citations and explanations supporting such statement
- VI ☐ Certain documents cited
- VII ☐ Certain defects in the international application
- VIII ☐ Certain observations on the international application

Date of submission of the demand 08 DECEMBER 2000	Date of completion of this report 19 OCTOBER 2001
Name and mailing address of the IPEA/US Commissioner of Patents and Trademarks Box PCT Washington, D.C. 20231	Authorized officer CHRISTOPHER GRANT
Facsimile No. (703) 305-3230	Telephone No. (703) 305-4755

## INTERNATIONAL PRELIMINARY EXAMINATION REPORT

International application No.

PCT/US00/12710

**I. Basis of the report****1. With regard to the elements of the international application:\***☐ the international application as originally filed☒ the description:

pages (See Attached)

, as originally filed

pages , filed with the demand

pages , filed with the letter of

☒ the claims:

pages (See Attached)

, as originally filed

pages , as amended (together with any statement) under Article 19

pages , filed with the demand

pages , filed with the letter of

☒ the drawings:

pages (See Attached)

, as originally filed

pages , filed with the demand

pages , filed with the letter of

☒ the sequence listing part of the description:

pages (See Attached)

, as originally filed

pages , filed with the demand

pages , filed with the letter of

**2. With regard to the language, all the elements marked above were available or furnished to this Authority in the language in which the international application was filed, unless otherwise indicated under this item.**

These elements were available or furnished to this Authority in the following language \_\_\_\_\_ which is:

☐ the language of a translation furnished for the purposes of international search (under Rule 23.1(b)).☐ the language of publication of the international application (under Rule 48.3(b)).☐ the language of the translation furnished for the purposes of international preliminary examination (under Rules 55.2 and/or 55.3).**3. With regard to any nucleotide and/or amino acid sequence disclosed in the international application, the international preliminary examination was carried out on the basis of the sequence listing:**☐ contained in the international application in printed form.☐ filed together with the international application in computer readable form.☐ furnished subsequently to this Authority in written form.☐ furnished subsequently to this Authority in computer readable form.☐ The statement that the subsequently furnished written sequence listing does not go beyond the disclosure in the international application as filed has been furnished.☐ The statement that the information recorded in computer readable form is identical to the written sequence listing has been furnished.**4. ☒ The amendments have resulted in the cancellation of:**☒ the description, pages NONE☒ the claims, Nos. 30,53,91☒ the drawings, sheets/fig NONE**5. ☐ This report has been drawn as if (some of) the amendments had not been made, since they have been considered to go beyond the disclosure as filed, as indicated in the Supplemental Box (Rule 70.2(c)).\*\***

\* Replacement sheets which have been furnished to the receiving Office in response to an invitation under Article 14 are referred to in this report as "originally filed" and are not annexed to this report since they do not contain amendments (Rules 70.16 and 70.17).

\*\*Any replacement sheet containing such amendments must be referred to under item 1 and annexed to this report.

## INTERNATIONAL PRELIMINARY EXAMINATION REPORT

International application No.

PCT/US00/12710

**V. Reasoned statement under Article 35(2) with regard to novelty, inventive step or industrial applicability; citations and explanations supporting such statement****1. statement**

Novelty (N)

Claims	(Please See supplemental sheet)	YES
Claims	(Please See supplemental sheet)	NO

Inventive Step (IS)

Claims	(Please See supplemental sheet)	YES
Claims	(Please See supplemental sheet)	NO

Industrial Applicability (IA)

Claims	(Please See supplemental sheet)	YES
Claims	(Please See supplemental sheet)	NO

**2. citations and explanations (Rule 70.7)**

Claims 1-29, 31-33, 38-52, 54-57, 62-67, 78-85, 89-90, 92-103, 109 and 114-116 meet the criteria set out in PCT Article 33(2)-(4), because the prior art does not teach or fairly suggest a method for presenting targeted advertisements in a telecom system, the method comprising forming a group for the reception of signals, forming a plurality of subgroups for the group, assigning a subgroup address, receiving a program stream, selecting one or more targeted advertisements, assigning an advertisement identifier, creating a relationship and transmitting the program stream; or forming a group, forming a plurality of subgroups, wherein the subgroups are formed by using multicast addresses based on Internet multicasting protocol in combination with the steps of receiving, selecting and transmitting; or forming a group, forming a plurality of subgroups in combination with the steps of receiving, selecting and transmitting video and audio channels over the Internet; or forming a group of signals, wherein the signals are Internet based streaming video signals, forming a plurality of subgroups in combination with the steps of receiving, selecting and transmitting; or transmitting first and second targeted advertisements to first and second subgroup of client receivers using a multicast protocol, wherein both program stream, advertisement or both are delivered over a DOCSIS channel; or identifying, forming at least first and second subgroups wherein members of the first subgroup share a first common IP multicast address and members of the second subgroup share a second common IP multicast address in combination with the steps of creating, combining and transmitting; or identifying, forming at least a first and second subgroups, wherein the subgroups are formed based on at least one attribute from a set of attributes consisting of geographic, demographic, psychographic, and preference attributes deduced from a subscriber's IP address; or forming a group of clients for the reception of streaming media program, forming a plurality of subgroups for the group, wherein each subgroup represents one or more target markets in combination with the steps of combining and transmitting as recited in the claims.

(Continued on Supplemental Sheet.)

INTERNATIONAL PRELIMINARY EXAMINATION REPORT

International application No.

PCT/US00/12710

**Supplemental Box**

(To be used when the space in any of the preceding boxes is not sufficient)

Continuation of: Boxes I - VIII

Sheet 11

Considering claim 34, Hendricks discloses a method for presenting targeted advertisement comprising:

- a) receiving n streaming media program streams (205)(col. 14, line 59 - col. 15, line 40);
- b) receiving m streaming media advertisement streams...(col. 15, lines 40-54); and
- c) creating p streaming media presentation streams...(col. 21, line 65 - col. 22, line 11).

Claims 35-37 are met by the presentations streams transmitted to subgroups (i.e. targeted viewers or groups) in the larger group of cable television subscribers as described in columns 15, 16, 36 and illustrated in figures 16-20.

----- NEW CITATIONS -----

US 5,600,364 A (HENDRICKS et al.) 04 February 1997,  
column 6, lines 40-43.  
column 15, line 40 - column 16, line 42.



**Supplemental Box**

(To be used when the space in any of the preceding boxes is not sufficient)

Sheet 10

Continuation of: Boxes I - VIII

**I. BASIS OF REPORT:**

This report has been drawn on the basis of the description,  
page(s) 1-24 , as originally filed.  
page(s) NONE, filed with the demand.  
and additional amendments:  
Pages NONE filed with the letter of

This report has been drawn on the basis of the claims,  
page(s) NONE , as originally filed.  
page(s) NONE, as amended under Article 19.  
page(s) NONE, filed with the demand.  
and additional amendments:  
Pages 25-29(aa), filed with the letter of 28 August 2001

This report has been drawn on the basis of the drawings,  
page(s) 1-11 , as originally filed.  
page(s) NONE, filed with the demand.  
and additional amendments:  
NONE

This report has been drawn on the basis of the sequence listing part of the description:  
page(s) NONE, as originally filed.  
pages(s) NONE, filed with the demand.  
and additional amendments:  
NONE

**V. 1. REASONED STATEMENTS:**

The report as to Novelty was positive (YES) with respect to claims 1-29, 31-33, 38-52, 54-57, 62-67, 78-85, 89-90, 92-103, 109, 114-116.

The report as to Novelty was negative (NO) with respect to claims 34-37, 58-61, 68-77, 86-88, 104-108, 110-113.

The report as to Inventive Step was positive (YES) with respect to claims 1-29, 31-33, 38-52, 54-57, 62-67, 78-85, 89-90, 92-103, 109, 114-116.

The report as to Inventive Step was negative (NO) with respect to claims 34-37, 58-61, 68-77, 86-88, 104-108, 110-113.

The report as to Industrial Applicability was positive (YES) with respect to claims 1-29, 31-52, 54-90, 92-116.

The report as to Industrial Applicability was negative (NO) with respect to claims none .

**V. 2. REASONED STATEMENTS - CITATIONS AND EXPLANATIONS (Continued):**

Claims 34-37, 58-61, 68-77, 86-88, 104-108 and 110-113 lack novelty under PCT Article 33(2) as being anticipated by Hendricks et al. (Hendricks).

Considering claims 58, 59, 69-77, 86-88, 104, 105, 107, 108 and 110-113, Hendricks discloses a method and corresponding system for presenting targeted advertisements in a telecom system, the method comprising:

- a) forming a group for reception of signals....(the group of cable subscribers as oppose to regular broadcast as described throughout the entire reference);
- b) forming a plurality of subgroups for the group (i.e. targeted viewers or groups in the larger group of cable television subscribers as described in columns 15, 16, 36 and illustrated in figures 16-20);
- c) receiving a program stream (205) (col. 14, line 59 - col. 15, line 40);
- d) selecting one or more targeted advertisement (col. 15, lines 40-54);
- e) combining streaming media with advertisements (246-figure 6a or 264-figure 7); and
- f) transmitting the streaming media program stream (col. 21, line 65 - col. 22, line 11).

Claims 60, 61 are met by the multiple subgroups (targeted groups) described throughout the reference including but not limited to figures 16-20 and columns 15, 16 and 36.

Claims 68 and 106 are met by "on the fly programming" disclosed in col. 15, lines 55-67.

Considering claim 34, Hendricks discloses a method for presenting targeted advertisement comprising:

Claims

What is claimed is:

1. A method for presenting targeted advertisements in a telecom system, the method comprising:

5 forming a group for the reception of signals for the telecom system;

forming a plurality of subgroups for the group;

assigning a subgroup address to each subgroup;

receiving a program stream;

10 selecting one or more targeted advertisements for a first subgroup;

assigning an advertisement identifier to each of the targeted advertisements;

15 creating a relationship between the subgroup address and the one or more advertising identifiers; and

20 transmitting the program stream and the targeted advertisements selected for the first subgroup to the first subgroup.

2. The method of claim 1, further comprising:

selecting one or more targeted advertisements for a second subgroup; and

transmitting the program stream and the advertisements  
selected for the second subgroup to the second subgroup.

3. The method of claim 2, wherein said transmitting to  
5 the first subgroup and said transmitting to the second subgroup  
are performed simultaneously.

4. The method of claim 1, wherein the subgroups are  
formed by using multicast addresses.

10

5. A method for presenting targeted advertisements in a  
telecom system, the method comprising:

forming a group for the reception of signals for the  
telecom system;

15 forming a plurality of subgroups for the group, wherein  
the subgroups are formed by using multicast addresses [are]  
based on Internet multicasting protocol;

receiving a program stream;

selecting one or more targeted advertisements for a first  
20 subgroup; and

transmitting the program stream and the targeted  
advertisements selected for the first subgroup to the first  
subgroup.

6. The method of claim 1, wherein the subgroups are based on cable nodes.

7. The method of claim 1, wherein the subgroups are formed by transmitting an MPEG signal over a cable television network.

8. The method of claim 1, wherein the subgroups are based on demographic attributes.

10

9. The method of claim 1, wherein the subgroups are based on psychographic attributes.

10. The method of claim 1, wherein the subgroups are based on product and brand usage attributes.

11. The method of claim 1, wherein said transmitting includes multiplexing the program stream and the selected target advertisements at a centralized point to create a presentation stream.

12. The method of claim 11, wherein said multiplexing is performed in real-time.

13. The method of claim 11, wherein the selected target advertisements are stored temporarily in a storage for insertion at a later time.

5        14. The method of claim 11, wherein the program stream comprises one or more empty segments and during multiplexing the selected targeted advertisements are inserted in the empty segments.

10       15. The method of claim 11, wherein the program stream comprises one or more default advertisements and during multiplexing the default advertisements are substituted with the selected targeted advertisements.

15       16. The method of claim 1, further comprising inserting the selected targeted advertisements in the program stream at a client side.

20       17. The method of claim 16, wherein the client side is provided with the insertion time and the identification of the selected target advertisements.

18. The method of claim 16, wherein the program stream comprises one or more empty segments and the identification of these empty segments is transmitted to the client side

5 19. The method of claim 16, wherein the program stream comprises one or more default advertisements, and at the client side, the default advertisements are substituted with the selected targeted advertisements.

10 20. The method of claim 1, wherein n program streams are combined with m advertisement streams resulting in p presentation streams, wherein p is greater than n.

21. The method of claim 1, wherein the program stream is  
15 transmitted as a first digital signal and the targeted advertisements are transmitted as a second digital signal.

22. The method of claim 21, wherein the first digital  
signal is transmitted to the whole group and the second digital  
20 signal is transmitted only to a subgroup.

23. The method of claim 21, wherein the first digital  
signal is transmitted via a digital transport network over a

first channel and the second digital signal is transmitted over a second channel.

24. The method of claim 23, wherein the first channel is a digital cable television channel and the second channel is a digital data channel in a cable television system.

25. A method for presenting targeted advertisements in a telecom system, the method comprising:

10 forming a group for the reception of signals for the telecom system;

forming a plurality of subgroups for the group;

receiving a program stream;

15 selecting one or more targeted advertisements for a first subgroup; and

transmitting the program stream and the targeted advertisements selected for the first subgroup to the first subgroup, wherein the program stream is transmitted as a streaming video channel over the Internet and the targeted advertisements are transmitted as an audio channel over the Internet.

26. A method for presenting targeted advertisements in a telecom system, the method comprising:

forming a group for the reception of signals for the  
telecom system;

forming a plurality of subgroups for the group;

receiving a program stream;

5 selecting one or more targeted advertisements for a first  
subgroup; and

transmitting the program stream and the targeted  
advertisements selected for the first subgroup to the first  
subgroup as streaming video channels over the Internet.

10

27. The method of claim 1, wherein the signals are cable-  
based video signals.

28. The method of claim 1, wherein the signals are  
15 broadcast-based video signals.

29. A method for presenting targeted advertisements in a  
telecom system, the method comprising:

forming a group for the reception of signals for the  
20 telecom system, wherein the signals are Internet-based  
streaming video signals;

forming a plurality of subgroups for the group;

receiving a program stream;



selecting one or more targeted advertisements for a first subgroup; and

transmitting the program stream and the targeted advertisements selected for the first subgroup to the first  
5 subgroup.

31. The method of claim 1, wherein the targeted advertisements are inserted into the program stream based on the advertisement identifiers.

10

32. The method of claim 31, wherein the insertion occurs at a centralized point.

33. The method of claim 31, wherein the insertion occurs  
15 at a local end.

34. A method for presenting targeted advertisement comprising:

receiving n streaming media program streams, wherein the  
20 streaming media program streams include continuous programming material;

receiving  $m$  streaming media advertisement streams, wherein the streaming media advertisement streams include advertising material; and

creating  $p$  streaming media presentation streams, wherein  
5 the  $p$  streaming media presentation streams contain continuous programming and at least one of the  $m$  streaming media advertisements, and wherein  $p$  is greater than  $n$ .

35. The method of claim 34, wherein the  $p$  presentation  
10 streams are transmitted to  $p$  subgroups.

36. The method of claim 35, wherein the  $p$  subgroups belong to a group.

37. The method of claim 35, wherein each of the  $p$   
15 subgroups receives the same program stream.

38. A method for presenting targeted advertisements in a telecom system, the method comprising:

20 forming a group for reception of signals from the telecom system;

forming a plurality of subgroups for the group;

assigning a subgroup address to each subgroup;

receiving a program stream;

selecting one or more targeted advertisements for a first subgroup;

assigning an advertisement identifier to each of the  
5 selected targeted advertisements;

creating a relationship between each subgroup address and each advertising identifiers;

multiplexing the program stream and the selected targeted advertisements at a centralized location to create a first  
10 presentation stream; and

transmitting the first presentation stream to the first subgroup.

39. The method of claim 38, further comprising:

15 selecting one or more targeted advertisements for a second subgroup;

multiplexing the program stream and the selected targeted advertisements for the second subgroup at a centralized location to create a second presentation stream; and

20 transmitting the second presentation stream to the second subgroup.

40. The method of claim 39, wherein said transmitting to the first subgroup and said transmitting to the second subgroup are performed simultaneously.

5 41. The method of claim 38, wherein the subgroups are formed by using multicast addresses.

42. A method for presenting targeted advertisements in a telecom system, the method comprising:

10 forming a group for reception of signals from the telecom system;

forming a plurality of subgroups for the group, wherein the subgroups are formed by using multicast addresses [are] based on Internet multicasting protocol;

15 receiving a program stream;

selecting one or more targeted advertisements for a first subgroup;

20 multiplexing the program stream and the selected targeted advertisements at a centralized location to create a first presentation stream; and

transmitting the first presentation stream to the first subgroup.

43. The method of claim 38, wherein the subgroups are based on cable nodes.

44. The method of claim 38, wherein the subgroups are  
5 formed by transmitting an MPEG signal over a cable television network.

45. The method of claim 38, wherein the subgroups are based on demographic attributes.

10

46. The method of claim 38, wherein the subgroups are based on psychographic attributes.

47. The method of claim 38, wherein the subgroups are  
15 based on product and brand usage attributes.

48. The method of claim 38, wherein said multiplexing is performed in real-time.

20 49. The method of claim 38, wherein the selected target advertisements are stored temporarily in storage for insertion at a later time.

50. The method of claim 38, wherein the program stream comprises one or more empty segments and during said multiplexing the selected targeted advertisements are inserted in the empty segments.

5

51. The method of claim 38, wherein the program stream comprises one or more default advertisements and during said multiplexing the default advertisements are substituted with the selected targeted advertisements.

10

52. The method of claim 38, wherein n program streams are combined with m advertisement streams resulting in p presentation streams, wherein p is greater than n.

15

54. The method of claim 38, wherein the selected targeted advertisements are inserted into the program stream based on the advertisement identifiers.

55. In a telecommunications network a method for presenting targeted advertisements in conjunction with program content, the method comprising:

identifying a group of clients for reception of at least one program;

forming a plurality of client subgroups from the group of clients, wherein the plurality of client subgroups contains at least a first subgroup and a second subgroup which are formed based on Internet multicasting protocols;

5        selecting a first targeted advertisement for the first subgroup;

         selecting a second targeted advertisement for the second subgroup;

         transmitting the first targeted advertisement to clients  
10    of the first subgroup;

         transmitting the second targeted advertisement to the clients of the second subgroup;

         presenting to the clients of the first subgroup the first targeted advertisement in conjunction with the program; and

15        presenting to the clients of the second subgroup the second targeted advertisement in conjunction with the program.

56.    The method of claim 55, wherein the transmission of the targeted advertisements to the first subgroup is a first  
20    multicast transmission and transmission of the targeted advertisements to the second subgroup is a second multicast transmission.

57. The method of claim 55, wherein only those advertisements targeted for the first subgroup are transmitted to and received by the first subgroup and only those advertisements targeted for the second subgroup are transmitted  
5 to and received by the second subgroup.

58. In a telecommunications network a method for presenting targeted advertisements in conjunction with program content, the method comprising:

10 identifying a group of clients for reception of at least one program, wherein the program is a streaming media program;

forming a plurality of client subgroups from the group of clients, wherein the plurality of client subgroups contains at least a first subgroup and a second subgroup;

15 selecting a first targeted advertisement for the first subgroup;

selecting a second targeted advertisement for the second subgroup;

20 transmitting the first targeted advertisement to clients of the first subgroup;

transmitting the second targeted advertisement to the clients of the second subgroup;

presenting to the clients of the first subgroup the first targeted advertisement in conjunction with the program; and



presenting to the clients of the second subgroup the  
second targeted advertisement in conjunction with the program.

59. In a telecommunications network a method for  
5 presenting targeted advertisements in conjunction with program  
content, the method comprising:

identifying a group of clients for reception of at least  
one program;

forming a plurality of client subgroups from the group of  
10 clients, wherein the plurality of client subgroups contains at  
least a first subgroup and a second subgroup;

selecting a first targeted advertisement for the first  
subgroup;

selecting a second targeted advertisement for the second  
15 subgroup, wherein the targeted advertisements are streaming  
media advertisements;

transmitting the first targeted advertisement to clients  
of the first subgroup;

transmitting the second targeted advertisement to the  
20 clients of the second subgroup;

presenting to the clients of the first subgroup the first  
targeted advertisement in conjunction with the program; and

presenting to the clients of the second subgroup the  
second targeted advertisement in conjunction with the program.

60. The method of claim 59, wherein the targeted advertisements are presented in conjunction with the program by a client streaming media player.

5        61. The method of claim 60, wherein the targeted advertisements are received by the respective clients before the presentation time and are buffered in the client streaming media player until they are presented.

10       62. The method of claim 55, wherein the presentation of the targeted advertisements occurs before the program, at the beginning of the program, after the program, at the end of the program, or during the program.

15       63. The method of claim 55, wherein the targeted advertisement presented to the first subgroup and the targeted advertisement presented to the second subgroup are presented to the client members of the respective subgroups at or about the same time within the program sequence.

20

64. The method of claim 55, wherein each subgroup represents a target market.

65. The method of claim 55, wherein the subgroups are formed based on at least one attribute from a set of attributes consisting of: geographic, demographic, psychographic, and preference attributes.

5

66. In a telecommunications network a method for presenting targeted advertisements in conjunction with program content, the method comprising:

identifying a group of clients for reception of at least  
10 one program;

forming at least a first subgroup and a second subgroup from the group of clients, wherein the subgroups are formed based on at least one attribute from a set of attributes consisting of geographic, demographic, psychographic, and  
15 preference attributes that are deduced from a subscriber's IP address;

selecting a first targeted advertisement for the first subgroup;

selecting a second targeted advertisement for the second  
20 subgroup;

transmitting the first targeted advertisement to clients of the first subgroup;

transmitting the second targeted advertisement to the clients of the second subgroup;

presenting to the clients of the first subgroup the first targeted advertisement in conjunction with the program; and

presenting to the clients of the second subgroup the second targeted advertisement in conjunction with the program.

5

67. The method of claim 55, wherein the plurality of targeted advertisements are delivered from a plurality of advertisement servers.

10

68. The method of claim 58, wherein the streaming media program is a "live" program.

69. The method of claim 58, wherein the streaming media program is an "on-demand" program.

15

70. A method for delivering targeted advertisements during a streaming media program, the method comprising:

forming a group of subscribers requesting said streaming media program;

20

forming a plurality of subgroups of said group of subscribers;

selecting a first targeted advertisement for a first subgroup and selecting a second targeted advertisement for a second subgroup; and

transmitting to the first subgroup, the targeted advertisement selected for the first subgroup, and transmitting to the second subgroup, the targeted advertisement selected for the second subgroup, such that the targeted advertisement  
5 selected for the first subgroup is presented to the first subgroup in conjunction with said streaming media program and the targeted advertisement selected for the second subgroup is presented to the second subgroup in conjunction with said streaming media program.

10

71. The method of claim 70, further comprising:

transmitting the streaming media program to the group of subscribers.

15 72. The method of claim 70, wherein the streaming media program and the targeted advertisements are combined and transmitted together from one or more locations upstream from the subscribers.

20 73. The method of claim 70, wherein the streaming media program and the targeted advertisements are combined at the subscriber receiver.

74. The method of claim 70, wherein the targeted advertisements and the streaming media program are transmitted in the same channel.

5        75. The method of claim 70, wherein the targeted advertisements are transmitted in a separate channel from the streaming media program.

10       76. The method of claim 75, wherein the targeted advertisements are delivered via a low bandwidth channel.

77. The method of claim 70, wherein the streaming media program is an audio program.

15       78. The method of claim 77, wherein the audio program is an Internet radio station.

79. A method of delivering targeted advertisements in conjunction with a program stream, the method comprising:

20       transmitting a first targeted advertisement to a first subgroup of client receivers using [a] an Internet multicast protocol, wherein each of the first subgroup receivers belong to a first multicast subgroup; and

transmitting a second targeted advertisement to a second subgroup of client receivers using [a] an Internet multicast protocol, wherein each of the second subgroup receivers belong to a second multicast subgroup.

5

80. The method of claim 79, wherein an intermediary receives the program stream, inserts targeted advertisements destined for a subgroup multicast, and multicasts the new presentation stream to the subscribers in that multicast

10 subgroup.

81. The method of claim 79, wherein the targeted advertisements are requested or received from a plurality of different targeted advertisement servers.

15

82. A method of delivering targeted advertisements in conjunction with a program stream, the method comprising:

transmitting a first targeted advertisement to a first subgroup of client receivers using a multicast protocol,

20 wherein each of the first subgroup receivers belong to a first multicast subgroup; and

transmitting a second targeted advertisement to a second subgroup of client receivers using a multicast protocol, wherein each of the second subgroup receivers belong to a

25 second multicast subgroup;

wherein the program stream, the targeted advertisements, or both are delivered over a DOCSIS channel.

83. The method of claim 79, further includes inserting  
5 the targeted advertisements in the program stream at a client side.

84. The method of claim 83, wherein the targeted advertisements are inserted into the program stream before the  
10 program is decoded.

85. The method of claim 83, wherein the client side is provided with the insertion time and the identification of the targeted advertisements.

15

86. A method of delivering targeted advertisements in conjunction with a streaming media program, the method comprising:

transmitting a first targeted advertisement to a first  
20 subgroup of client receivers using a multicast protocol, wherein each of the first subgroup receivers belong to a first multicast subgroup; and

transmitting a second targeted advertisement to a second subgroup of client receivers using a multicast protocol,



wherein each of the second subgroup receivers belong to a second multicast subgroup.

87. The method of claim 79, wherein said program stream is  
5 a live or other type of broadcast stream.

88. The method of claim 79, wherein said program stream is an "on-demand" program stream.

10 89. In a telecommunications network, a method for presenting targeted advertisements in conjunction with requested content material, the method comprising:

identifying a group for reception of at least one signal containing content material;

15 forming at least a first subgroup and a second subgroup, wherein members of the first subgroup share a first common IP multicast address and members of the second subgroup share a second common IP multicast address;

20 creating a first set of targeted advertisements for the first subgroup;

creating a second set of targeted advertisements for the second subgroup;

combining the signal containing content material and the first set of targeted advertisements to form a first presentation stream;

combining the signal containing content material and the  
5 second set of targeted advertisements to create a second presentation stream;

transmitting the first presentation stream to the first subgroup; and

transmitting the second presentation stream to the second  
10 subgroup.

90. The method of claim 89, wherein the transmission of the first stream to the first subgroup is a first multicast transmission and the transmission of the second stream to the  
15 second subgroup is a second multicast transmission.

92. The method of claim 89, wherein the said second presentation stream is neither transmitted to nor received by the first subgroup and said first presentation stream is  
20 neither transmitted to nor received by the second subgroup.

93. The method of claim 89, wherein said transmitting to the first subgroup and said transmitting to the second subgroup are performed at about the same time.

94. The method of claim 89, wherein said combining occurs at a common central location.

95. The method of claim 89, wherein said combining occurs  
5 at separate locations.

96. The method of claim 89, wherein said combining includes combining the targeted advertisements such that the temporal occurrence or sequence of the targeted advertisements  
10 with respect to the content material is one from a group consisting of: before the content material, after the content material, or during and within the content material.

97. The method of claim 96, wherein the first set of  
15 targeted advertisements and the second set of targeted advertisements are combined with the content material at or about the same location within the content material sequence.

98. The method of claim 89, wherein each subgroup  
20 represents a target market.

99. The method of claim 89, wherein the subgroups are formed based on at least one attribute from a set of attributes

consisting of: geographic, demographic, psychographic, and preference attributes.

100. In a telecommunications network, a method for  
 5 presenting targeted advertisements in conjunction with requested content material, the method comprising:

identifying a group for reception of at least one signal containing content material;

forming at least a first subgroup and a second subgroup,  
 10 wherein the subgroups are formed based on at least one attribute from a set of attributes consisting of geographic, demographic, psychographic, and preference attributes deduced from a subscriber's IP address;

creating a first set of targeted advertisements for the  
 15 first subgroup;

creating a second set of targeted advertisements for  
 the second subgroup;

combining the signal containing content material and the first set of targeted advertisements to form a first  
 20 presentation stream;

combining the signal containing content material and the second set of targeted advertisements to create a second presentation stream;

transmitting the first presentation stream to the first subgroup; and

transmitting the second presentation stream to the second subgroup.

5

101. The method of claim 89, wherein the content material comprises one or more default advertisements and during said combining the default advertisements are substituted with the targeted advertisements.

10

102. The method of claim 89, wherein the plurality of selected targeted advertisements are delivered from a plurality of advertisement servers.

15

103. The method of claim 89, wherein the subgroups are disjoint and contain no members in common.

20

104. In a telecommunications network, a method for presenting targeted advertisements in conjunction with requested content material, the method comprising:

identifying a group for reception of at least one signal containing content material, wherein the signal containing content material is one or more streaming media programs;

forming at least a first subgroup and a second subgroup;

creating a first set of targeted advertisements for the  
first subgroup;

creating a second set of targeted advertisements for  
the second subgroup;

5 combining the signal containing content material and the  
first set of targeted advertisements to form a first  
presentation stream;

combining the signal containing content material and the  
second set of targeted advertisements to create a second  
10 presentation stream;

transmitting the first presentation stream to the first  
subgroup; and

transmitting the second presentation stream to the second  
subgroup.

15

105. The method of claim 104, wherein the targeted  
advertisements are streaming media advertisements.

106. The method of claim 104, wherein the streaming media  
20 program is a "live" program.

107. The method of claim 104, wherein the streaming media  
program is an "on-demand" program.

108. The method of claim 104, wherein the streaming media program is an audio program.

109. The method of claim 108, wherein the audio program  
5 is an Internet radio station.

110. A method for presenting targeted advertisements in a telecommunications system, the method comprising:

forming a group of clients for reception of a streaming  
10 media program;

forming a plurality of client subgroups based on the group, wherein each subgroup represents one or more target markets;

combining the streaming media program with a first  
15 targeted advertisement directed to a first target market to form a first presentation stream;

combining the streaming media program with a second targeted advertisement directed to a second target market to form a second presentation stream;

20 transmitting the first presentation stream to a first subgroup; and

transmitting the second presentation stream to a second subgroup.

111. The method of claim 110, wherein the transmission of  
the first stream to the first subgroup is a first multicast  
transmission and the transmission of the second stream to the  
second subgroup is a second multicast transmission, different  
5 from the first multicast transmission.

112. The method of claim 110, wherein the client groups  
and subgroups comprise groups and subgroups of one or more  
media servers.

10

113. The method of claim 110, wherein the client groups  
and subgroups comprise groups and subgroups of one or more  
streaming media players.

15

114. A method for presenting targeted advertisements in a  
telecommunications system, the method comprising:

forming a first presentation stream with advertisements  
targeted to a first subgroup;

20

forming a second presentation stream with advertisements  
targeted to a second subgroup, wherein the subgroups are formed  
using Internet multicasting protocol;

multicasting the first stream to the first subgroup; and  
multicasting the second stream to the second subgroup.



115. The method of claim 114, wherein the subgroups  
comprise one or more media servers.

116. The method of claim 114, wherein the subgroups  
5 comprise one or more media players.